UNITED NATIONS **TD**

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/WP/127
10 July 2000

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Thirty-sixth session
Geneva, 11-15 September 2000
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. PROVISIONAL AGENDA *

1. Election of officers

2. Adoption of the agenda and organization of work

3. Review of the technical cooperation activities of UNCTAD and their financing

4. Review of the financial sustainability of certain technical cooperation programmes and activities, pursuant to paragraph 164 (viii) of the Plan of Action, in order to ensure sufficient funding

5. Implementation of paragraph 166 of the Plan of Action of UNCTAD X

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* As approved by the Working Party at the second part of its thirty-fifth session on 19 April 2000.

GE.00-51483

6. Evaluation of technical cooperation programmes:

   (a) EMPRETEC

   (b) Follow-up to evaluations

      (i) Competition law and policy

      (ii) Trade Points

7. Financing of experts from developing countries and economies in transition when participating in UNCTAD meetings

8. Provisional agenda for the thirty-seventh session of the Working Party

9. Other business

10. Adoption of the report of the Working Party to the Trade and Development Board

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1 - Election of officers

1. In accordance with rule 63 of the rules of procedure of the Trade and Development Board, the Working Party shall elect its own officers. Following the thirty-first session of the Working Party, and in accordance with the cycle of rotation, the Chairman at its thirty-sixth session shall be a representative of one of the States members in List C (Latin America and the Caribbean Group). The Vice-Chairman-cum-Rapporteur shall be a representative of one of the States members in list B.

Item 2 - Adoption of the agenda and organization of work (TD/B/WP/127)

2. The provisional agenda for the thirty-sixth session of the Working Party as approved on 19 April 2000 appears in section I above. A note on the organization of work of the session will be circulated at the opening of the meeting.

Item 3 - Review of the technical cooperation activities of UNCTAD and their financing

3. The Working Party will consider two reports:

(a) The Report on technical cooperation activities undertaken in 1999, which is being submitted both to the Trade and Development Board at its forty-seventh session and to the Working Party at its current session, has three parts:

An overview of technical cooperation activities (TD/B/47/2- TD/B/WP/125)

4. This document provides data and information on developments in UNCTAD's technical cooperation activities, including prospects for the mobilization of extra-budgetary resources and cooperation between UNCTAD and other organizations. A brief analysis of the distribution of activities among countries, regions and programmes is also given. Furthermore, the report reviews activities in favour of the least developed countries. It reports on the secretariat efforts to enhance delivery of UNCTAD's technical cooperation services and finally provides information on cooperation between UNCTAD and the private sector. The report also includes information on the evaluation of technical cooperation programmes undertaken in 1999.

These courses would draw on the expertise and policy analysis work of the UNCTAD secretariat, with the support of an advisory body to be established by the Trade and Development Board. Courses on delivery, cooperation and coordination would be assured with relevant research and academic institutions and with other relevant international organizations, taking into consideration the commitment of UNCTAD to the Integrated Framework for Trade-related Technical Assistance for the LDCs. The organization of the courses should be financed from UNCTAD's existing regular budget resources and available extra-budgetary resources. The Secretary-General of UNCTAD is invited to submit detailed costed proposals to the Working Party on the Medium-term Plan and the Programme Budget".

12. A note on UNCTAD's capacity-building programme will be circulated to the Working Party with the information on the rationale for, and the objectives and content of, an UNCTAD capacity-building programme.

Item 6 - Evaluation of technical cooperation programmes:

(a) EMPRETEC

13. In the context of its annual consideration of an in-depth evaluation of a technical cooperation programme, the Working Party on the Medium-term Plan and the Programme Budget, at its thirty-fourth session held in September 1999, decided to review, at its session in the year 2000 dealing with technical cooperation, an in-depth evaluation of the EMPRETEC Programme. The evaluation report was prepared by an independent evaluation team composed of a professional evaluator with extensive experience in this area complemented by two additional members with a knowledge of the EMPRETEC programme, who were familiar with UNCTAD programmes and UNCTAD's programme planning and assessment procedures, and were constantly involved in the work of UNCTAD intergovernmental bodies. The latter were intended to bring into the evaluation process the perspective of both the beneficiary and the donor communities. The evaluation report is contained in document TD/B/WP/129.

(b) Follow-up to evaluations

(i) Competition law and policy

14. After considering the evaluation of the technical cooperation activities on competition law and policy (TD/B/WP/119), the Working Party on the Medium-term Plan and the Programme Budget, at its thirty-fourth session held in September 1999 "invited the Secretary-General of UNCTAD to report at the autumn session of the Working Party in the year 2000 on the implementation of the recommendations arising from the evaluation report". The relevant report prepared by the secretariat is contained in document TD/B/WP/130.

(ii) Trade Points

15. At its thirty-fourth session, the Working Party on the Medium-term Plan and the Programme Budget approved a three-year Trade Point Programme Strategy prepared by the UNCTAD secretariat (TD/B/WP/120). Following the consideration and adoption of the strategy, the Working Party requested the secretariat "to report to the autumn session of the Working Party in the year 2000 on progress in the implementation of the strategy, including on the work undertaken and to be undertaken, as well as on training activities for Trade Points in core services and on the strategy's financial aspects". It further requested the secretariat "to explore options for a suitable non-profit organization, including an international Trade Points federation, to manage the ETO system, taking into account the views of Trade Points worldwide on this issue, and to present these options to the Working Party for decision at the autumn session in the year 2000". UNCTAD X decided, in pragraph 158 of the Plan of Action, that "UNCTAD shall fully implement the Trade Point Programme stategy, as proposed by the secretariat in document TD/B/WP/120, including the transfer of the electronic trading opportunities system to a non-profit entity as soon as possible". In response to these requests, the Working Party will have before it for consideration document TD/B/WP/128.

Item 7 - Financing of experts from developing countries and economies in transition when participating in UNCTAD meetings

16. The General Assembly, in resolution 53/3 of 12 October 1998, agreed "to the use of the amount of US$1,088,000 for the expenses of experts attending, in their personal capacity, the expert meetings convened by the Trade and Development Board". Not all the funds were utilized during the biennium 1998-1999. Accordingly, the Assembly in Section XIV of resolution 54/251 of 23 December 1999 agreed that, "on an exceptional basis ....., the unspent balance [be] retained until all the activities and programmes outlined in the report of the Secretary-General of 13 May 1998 and approved by the General Assembly in its resolution 53/3 of 12 October 1998 are completed".

17. A report on the financing and participation of developing country experts in the seven expert meetings held in 1999 was provided to the twenty-second Executive session of the TDB (TB/B/EX(22)/2).

18. The Working Party will have before it a report on the financing and participation of experts in UNCTAD expert meetings held so far in 2000.

Item 8 - Provisional agenda for the thirty-seventh session of the Working Party

19. The UNCTAD secretariat will submit to the Working Party for its consideration a draft provisional agenda for its thirty-seventh session.

Item 9 - Other business

Item 10 - Adoption of the report of the Working Party to the Trade and Development Board

20. The final report will be compiled under the authority of the Vice-Chairman-cum-Rapporteur, taking into account the proceedings of the final (closing) plenary meeting, for submission to the Trade and Development Board.

UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/WP/128
25 July 2000

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Thirty-sixth session
Geneva, 11-15 September 2000
Item 6(b) (ii) of the provisional agenda

IMPLEMENTATION OF THE TRADE POINT PROGRAMME STRATEGY

Progress report

Executive summary

The present document reports on the progress achieved in the implementation of the three-year Trade Point Programme Strategy approved at the thirty-fourth session of the Working Party on the Medium-term Plan and the Programme Budget in September -October 1999. In accordance with the Strategy, activities focused on consolidating the core services of the Trade Point Programme and on reducing its dependence on UNCTAD resources. Capacity development activities were seriously hampered by the lack of extrabudgetary funding. Progress was nevertheless achieved in empowering Trade Points and reducing their dependence on UNCTAD resources through regional cooperation and the strengthening of Trade Point forums. The GTPNet website was renovated and its services enhanced in line with current technology trends. The focus of future work will be on the transfer of activities that can be better developed outside UNCTAD to a suitable non-profit entity, and on refocusing UNCTAD's own activities on those where UNCTAD has a comparative advantage, including training. As requested by the Working Party, options are presented for a suitable non-profit organization to manage the ETO system. The financial implications of the implementation of the strategy are summarized in the Conclusion. For ease of reference, a copy of the logical framework of the Strategy (document TD/B/WP/120/Add. 1) is attached as an annex to the report.

GE.00-51655

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Introduction

1. At its thirty-fourth session in September - October 1999, the Working Party on the Medium-term Plan and the Programme Budget approved a three-year Trade Point Programme Strategy prepared by the UNCTAD secretariat.[1] Following discussion of the Strategy during the session, it requested the secretariat:

- "To report to the autumn session of the Working Party in the year 2000 on progress in the implementation of the Strategy, including on the work undertaken and to be undertaken, as well as on training activities for Trade Points in core services and on the strategy's financial aspects"[2];

- "To explore options for a suitable non-profit organization, including an international Trade Point federation, to manage the ETO system, taking into account the views of Trade Points worldwide on this issue, and to present these options to the Working Party for decision at the autumn session in the year 2000."[3]

2. The present report was prepared in response to these requests by the Working Party. The first chapter provides an overview of the work undertaken since October 1999 in accordance with the provisions of the Strategy. The second chapter presents directions of activities to be undertaken by the Trade Point Programme during the next year, bearing in mind the ultimate objectives to be achieved at the end of the three-year implementation period. The third chapter reviews options for a suitable non-profit organization to manage the ETO system. For ease of reference a copy of the logical framework contained in document TD/B/WP/120/Add.1 has been attached as an annex.

I. ACTIVITIES IMPLEMENTED IN THE FIRST YEAR RELATED TO THE OBJECTIVES SET OUT IN THE STRATEGY

3. Following its approval by the Working Party, the Trade Point Programme Strategy was presented and explained at a number of meetings with Trade Points. Among these were regional Trade Point meetings in Latin America and the Caribbean, Asia, the Middle East and North America, as well as the tenth session of UNCTAD (UNCTAD X) in Bangkok in February 2000.

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[1] The Strategy is outlined in document TD/B/WP/120, entitled "Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme Strategy". It is accompanied by an annex, entitled "Modalities to implement the proposed strategy" (TD/B/WP/120/Add.1). The annex contains a logical framework for action with a detailed overview of objectives, specific activities and related success indicators, assumptions and risks, as well as a time-frame for the implementation of the proposed activities.

[2] "Evaluation of technical cooperation programmes: Agreed conclusions", TD/B/WP/L.93, para. (b) 5.

[3] Idem, para. (b) 4.

4. During the period under review, the implementation of the Trade Point Programme Strategy, and thinking about its future orientations, were influenced by a number of both positive and negative factors, such as:

- The accelerating pace of technological developments in the world and the already well-confirmed emergence of the "new economy". This has a positive influence on interest in the Trade Point Programme, which is considered to correspond to this technological trend. At the same time, however, it is becoming increasingly obvious that UNCTAD is not an appropriate place in which to develop activities relating to further enhancement of the electronic trading opportunities (ETO) system and its transition towards a transactional phase. These would require the involvement of the private sector and access to its resources. However, keeping abreast of the new developments in technology and conducting the above-mentioned activities are crucial for the future of the Trade Point Programme.

- The need to maintain, including in considering future options, the development nature of the Trade Point Programme, despite the heterogeneity of the Trade Point community (public or private entities, technologically more advanced and less advanced Trade Points, financially more endowed and less endowed Trade Points).

- The increase in the number of Trade Points from 160 to 170 during the period under review, with a number of new requests from developed countries.

- The lack of additional funding upon which a number of activities, in particular in capacity building, were contingent.

- The setting up of a competent in-house technical team in the Trade Point Programme, which has made it possible to integrate the operational and technical activities of the Trade Point Programme and significantly increase the quality and responsiveness of the Global Trade Point Network (GTPNet).

A. Capacity development

5. Fund-raising activities were initiated immediately after the adoption of the Trade point Programme Strategy in October 1999. So far, no extra-budgetary funds have been identified for the implementation of the planned activities.

6. Therefore, activities have been restricted to what can be achieved within existing resources. The planned training of course developers and trainers, the development of new courses and their delivery in the different regions of the world could not be carried out because of the lack of extrabudgetary funding.

7. Activities aimed at strengthening Trade Points related to both individual Trade Points and their formal forums.[4]

(a) Assistance to individual Trade Points

8. The existing Trade Point guidelines have been updated. On the basis of the lessons learned so far and the requests received from Trade Points, parts of the guidelines were elaborated in greater detail. For example, a model Trade Point business plan has been prepared drawing on available Trade Point experience. A template of a financial plan accompanies this business plan. Both documents should help in making the appropriate assessment and in the proper planning of all steps involved in the establishment and operation of the Trade Point. They have been made available to all Trade Points, particularly newcomers. The documents are available on the GTPNet in English, French and Spanish.

9. A substantial amount of work has been done on legal aspects of the establishment and operation of Trade Points. In response to numerous requests, guidelines have been prepared with regard to the protection of Trade Point, ETO and GTPNet names and logos. These guidelines have been distributed to all Trade Points with a note from the Secretary-General of UNCTAD inviting Governments to assist Trade Points in protecting those names and logos.

10. Following the recommendation of the in-depth evaluation of UNCTAD's Trade Point Programme,[5] in the light of the views expressed by experts and member States as well as the experience of the Trade Point team, the requirements for a Trade Point legal framework have become more flexible. It is no longer mandatory to set up a Trade Point as a separate legal entity. Other options have also been proposed to Trade Point applicants, such as setting up a Trade Point within an existing "hosting" institution or within a government department/ministry. The objective was to make the legal framework for the Trade Point as little of a constraint as possible, while placing emphasis on an effective delivery of Trade Point services to local business communities. Models of statutes,[6] based on existing Trade Point legal frameworks, have been prepared in order to address all these different legal contexts. In addition, since some Trade Points expand their services outside the capital towards other regions in their country and therefore need to have a legally clear relationship with their branch offices/subsidiary Trade Points, model statutes have also been developed for a Trade Point with regional offices. The English version of all the models of Trade Point statutes is now available on the GTPNet and translation is under way into the official United Nations languages.

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[4] A Trade Point forum is an association of Trade Points located in a particular region that have set up a framework in which they can cooperate and coordinate their activities, share experiences, establish a common strategy and propose products and services.

[5] Contained in para. 31 of document TD/B/WP/110.

[6] Statutes represent a legal document by which a Trade Point is set up.

11. The improved guidelines have helped the Trade Point Programme staff to respond more rapidly and in a uniform manner to Trade Point requests. In addition, they have facilitated Trade Points' compliance with UNCTAD requirements as well as development of their services within a shorter period. The period needed to comply with formal UNCTAD requirements for operational Trade Points has been reduced to roughly two months instead of six. Furthermore, technical assistance has been provided on request aimed at helping Trade Points to become fully operational or to make significant progress towards this objective.[7]

12. With regard to training, a major consideration was to create a model that would not be excessively dependent on UNCTAD staff and resources, would make full use of the existing Trade Point expertise, and would bring training closer to clients and their specific national situations. In this vein, based on the TRAINFORTRADE methodology, the following steps were proposed for the organization of training activities:

- Development of a number of generic courses (as specified in the Trade Point Programme Strategy) addressing expressed Trade Point needs;

- Training of course developers and trainers from countries/regions that would adapt these courses to national contexts and conduct training courses at the national/regional level;

- Delivery of courses to interested Trade Points.

13. A comprehensive project proposal, which forms the basis for a consistent approach to capacity building in the Trade Point Programme, has been developed, but no donor has so far been found.

14. Five Trade Point-related projects containing a capacity-building component were included in UNCTAD's roll-over programme of technical assistance for 1999 - 2001[8], but donors to fund these proposals have so far not been identified. Two more projects with a training component have been prepared in order to be considered for implementation within the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP).

15. At the request of the People's Republic of China a project document was drafted specifically focusing on the provision of basic training (on issues such as Trade Point management and development, setting up a Trade Point website, management of information in a Trade Point, and introduction to electronic commerce for small and medium-sized enterprises for national Trade Point staff). Similar projects have been

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[7] During the period under review, the following countries and territories have been receiving technical assistance from UNCTAD funded by donors: Bulgaria, Egypt, Hungary, Jordan, Morocco, Mozambique and the Palestinian Authority.

[8] UNCTAD's technical cooperation plan for 1999 - 2001, (TD/B/EX (20)/3, TD/B/WP/112/Rev.1), submitted to the twentieth Executive session of the Trade and Development Board, February 1999.

prepared for geographically or linguistically close groups of least developed countries (LDC). While the former project, intended to facilitate the establishment of new Trade Points in China, is currently being examined by the Chinese counterpart, the latter have been submitted to the Office of the UNCTAD LDC Coordinator.

16. Moreover, project proposals have been prepared by some advanced Trade Points to assist Trade Points in their region in becoming operational. Among such proposals are a project for West Africa formulated by Trade Point Senegal and another for the Middle East prepared by the Egyptian International Trade Point. These proposals are an example of the increasing potential among Trade Points for mutual assistance whereby more advanced Trade Points could help those that are only in the initial stages of their development. Such projects, if funded by donors, could play an important role in the building of Trade Points' capacity to provide technical assistance to one another, which is an important element of the Trade Point empowerment process.

17. In the meantime, since the planned training projects would also be jointly executed by the Trade Point Programme and TRAINFORTRADE staff, a workshop was organized for the Trade Point Programme staff to familiarize themselves with the methodology of development of training courses.

18. With a view to facilitating identification of potential trainers, work has been initiated on the establishment of a roster of consultants with experience in the implementation of Trade Point projects. The roster contains 21 names so far. The intention is to further expand this database by including more consultants working in and with Trade Points at the national level. Subject to the availability of funding, the interested consultants would subsequently be trained as course developers/trainers.

19. Some more general courses, for instance those on electronic commerce, do not necessarily need to reflect the specific Trade Point context. Several Trade Points which work closely with universities (e.g. Monterrey-Mexico, San Diego-United States, and Perth-Australia) have offered to assist in the delivery of such courses to the interested Trade Points, including through their provision on-line.

(b) Assistance to Trade Point forums

20. According to the Trade Point Programme Strategy, the key means of ensuring the sustainability of the Programme and reducing its dependence on UNCTAD resources is to enhance the Trade Point community's capacity for self-management. This process should be facilitated by associating Trade Points at the regional level (or national level in larger countries) into regional/national Trade Point forums. This would build Trade Points' expertise in working together for the benefit of the forum's members. Such experience would later be used at a worldwide level when an international Trade Point federation is formally established.

21. Available evidence shows that the establishment and, even more so, the operation of regional/national Trade Point forums can only be successful if there are a sufficient

number of well-functioning Trade Points and if there is clearly perceived value added that the forum can provide to its members. It is therefore indispensable that the setting up of regional/national forums go hand in hand or, even better, be preceded by consistent efforts to strengthen potential member Trade Points. At the same time, Trade Points should not create forums merely for the sake of doing so, but should first carefully consider what benefit they can realistically expect from them and should also be committed to supporting their activities.

22. At the request of member States, UNCTAD has intensified its efforts to provide legal assistance to all the regional or national groups of Trade Points interested in formalizing their cooperation by establishing a regional or a national forum. Model statutes of a regional/national Trade Point forum have been prepared, accompanied by model internal rules. English and Spanish versions of these documents are available to all Trade Points through the GTPNet and a French version is in preparation. Furthermore, UNCTAD worked closely with interested Trade Points on the adaptation of the model documents to the particular conditions in their region/country.

23. To date, the process of empowering Trade Points through their association into regional/national forums is the most advanced in the Americas, where the prerequisites mentioned above are present to the greatest extent. This is also due to the fact that it is the region in which the Trade Point Programme was launched in 1992 and where there is the largest number of operational Trade Points. All official formalities have been completed relating to the establishment of the Inter-American Trade Point Forum associating Trade Points in the Americas. Work is well advanced on the legal framework for the North American Free Trade Area (NAFTA) Trade Point Network, whose statutes are expected to be signed later this year. The process of creation of a regional Trade Point forum was also started in the Asia-Pacific region during a meeting held in Sri Lanka in October 1999. Establishment of regional Trade Point forums in the Arab region and in Europe is under discussion as well. On the basis of UNCTAD's guidelines and guidance, UNCTAD, national Trade Point forums have been established in Argentina and Spain and one is being created in Brazil.

24. National and regional Trade Point forums meet on a regular basis with a view to exchanging experience, discussing problems and possible solutions and identifying projects of common interest to their members. An important role of the forums consists in providing assistance to new applicants. In this context, the forums could potentially also be involved in the delivery of Trade Point courses that could be developed by UNCTAD in close cooperation with Trade Points. Within the forum, products and services developed by some Trade Points could also be shared with others, thus eliminating unnecessary duplication of efforts. In addition to developing expertise in the management of the Programme at a regional/national level, Trade Point forums play a constructive role in the development of the Trade Point Programme as such, for example by defining issues of common interest and proposals that are then transmitted to UNCTAD.

25. The concept of the subsequent step, i.e. the creation of an international Trade Point federation, has been explored by UNCTAD in regional Trade Point meetings in

Curaçao (Netherlands Antilles) and Tampa (United States), and met with positive reactions. However, since the federation is expected to take over the management of the Trade Point Programme in the future, a number of issues would need to be addressed and solved before this can happen. It ought especially to be ensured that the federation will observe the principles that form the basis of the Trade Point Programme. This is particularly important in the light of the considerable heterogeneity of Trade Points in terms of their level of development, expertise, access to financial resources, and the natural divergence of objectives between Trade Points located in private companies and those hosted by public institutions.

B. Renovation of the GTPNet

26. Considerable progress has been made in the renovation of the GTPNet architecture in line with the latest technological and market trends. Evidence indicates that the proliferation of new sites and information services on the Internet often does not make it easier for users to find the right information. Nor does it automatically guarantee that information providers will find customers. Demand seems to emerge for (a) quality instead of quantity of information, (b) complete, not rudimentary, information, (c) reliable information; and (d) user-friendly access to information. The new GTPNet is conceived so as to embrace these trends. The approach chosen is based on a decentralized structure and active involvement of Trade Points with a view to empowering them to eventually become true owners of the system.

27. The renovated, database-driven GTPNet was presented at UNCTAD X in Bangkok. The main innovative features of its new technical environment can be summarized as follows:

- Standardized and structured trade-related information is managed locally by individual Trade Points, and updates made in their local databases are automatically replicated to the GTPNet central site. Here the information can be easily searched using customized search engines.

- The management of the content of the GTPNet is profile-based. This means that different categories of users (Trade Point directors, Trade Point managers, Trade Point members, Trade Point clients, anonymous users) have different rights to access and/or change information contained in different databases on the GTPNet. This selective access to information and its protection by passwords guarantee the integrity and confidentiality of information posted on the GTPNet.

- One of the core components of the new GTPNet is an advanced system of electronic trading opportunities (offers and demands for goods and services). These structured ETOs are fully integrated with databases providing data about registered companies.

- Only pre-qualified Trade Points and their registered members can post ETOs. During an initial period ("hot" ETOs), access to ETOs is restricted to Trade Points and their registered clients. In addition to accessing ETOs on-line, they can benefit from a GTPNet service whereby they are automatically forwarded all ETOs that correspond to the criteria that they have themselves specified in the form of a user profile. This time- and cost-saving value-added service may act as an incentive for companies to become Trade Point clients and may also generate income for Trade Points.

- After the initial period, with a view to reaching as wide a trading community as possible, ETOs ("cold" ETOs) become universally accessible and interested users can search the ETO database on-line.

- The GTPNet company database linked to the ETO system is managed by Trade Points and can be searched using a criteria-based search engine. Background information about companies makes it possible to relate individual ETOs to company records in the GTPNet database. The existence of such information about companies increases the quality of ETOs, and the fact that only registered companies can post ETOs significantly enhances the credibility of posted offers and demands. At the beginning of June 2000, the GTPNet company database consisted of about 13,000 records supplied by 25 Trade Points from different parts of the world.

- A system is in place that gives Trade Points the right (and also the related responsibility) to directly upload and update information about their country, Trade Point and its clients that is stored on the GTPNet website. This feature creates a synergic effect combining the strengths of a local presence with the advantages of a central repository of standardized information. The information on the central site is automatically updated following any local update.

- Real-time discussion forums (both publicly accessible and with restricted access) have been made available to the Trade Point community and users of GTPNet services. The objective was to give them a tool for discussing mutual cooperation and stimulating the creation of regional Trade Point forums and ultimately a world Trade Point federation.

28. Trust is crucial, but it can also be built up on the basis of a history of high-quality service. Therefore, and in order to ensure consistency for all Trade Points, UNCTAD has prepared "Model terms and conditions applicable to technical assistance provided to Trade Points established in accordance with the Trade Point Programme of UNCTAD". Access to the full features of the renovated GTPNet is conditional upon Trade Points' signing these terms and conditions.

29. Together with the renovation of the GTPNet, an examination of opportunities to enrich the GTPNet by including additional value-added services was undertaken. An

example of a service is a proposal by Trade Point Perth, Australia, to facilitate participation of small and medium-sized enterprises (SMEs), particularly from developing countries, in international public procurement.

30. Trade Points will be able to link to international agency procurement offices. Within the framework of the project, Trade Points would pre-screen SMEs in their countries. Also, they would notify companies in their country of procurement opportunities that match their company profile. Initial discussions have taken place both with the United Nations Office at Geneva for advice on relevant issues in connection with international agency procurement and with a potential donor, and preparation of a project document is under way.

31. Besides the services developed by UNCTAD in the framework of the GTPNet, several Trade Points (in particular in Canada, Egypt, Romania and Senegal) have, at their own expense, developed products, mainly software, to respond in a practical manner to their clients' needs. Offers to share these value-added products could be made to all the Trade Points on the GTPNet.

II. ACTIVITIES TO BE UNDERTAKEN IN LINE WITH THE OBJECTIVES SET OUT IN THE STRATEGY

32. Future activities of the Trade Point Programme will continue to pursue the goal of reducing UNCTAD's involvement in the Programme. In this context two main preconditions have been identified that would need to be fulfilled.

- Consolidation of the Trade Point product, i.e. services that it provides, and rules according to which it operates. Trade Point services should be developed enough to be able to occupy a niche in the market and to effectively assist Trade Point clients in improving their competitiveness and access to international markets. The Programme should also develop rules and operating mechanisms that would ensure that its basic objective, which is to assist those who are the most disadvantaged in their efforts to participate in international trade, be maintained once the supporting agency steps down.

  Action on the consolidation of the Trade Point product is mostly taken by the UNCTAD secretariat and is therefore relatively less dependent on extra-budgetary resources.

- Strengthening of the Trade Points, both individually and collectively. Capacity should be developed in Trade Points that would allow them ultimately to take over the Programme and to run it successfully once UNCTAD reduces its involvement, as agreed upon by member States in adopting the Trade Point Programme Strategy. In order to externalize the Programme, a critical mass of solidly established and viable Trade Points needs to be in place. These Trade

Points should collectively be in a position not only to formally take over the Programme, but also to run it for the benefit of the whole Trade Point community. It would be desirable that Trade Points from all parts of the world, including the LDCs, reach a stage where they could take an effective part in the management of the Programme.

Action with regard to the strengthening of Trade Points is more subject to external factors. Most Trade Points are funded from local resources, which is a strength insofar as it reinforces the sense of local ownership of the project, but it may hamper the development of the Trade Point if these resources are too limited. The UNCTAD secretariat depends on donor funding in respect both of assisting individual Trade Points in consolidating their services, and building the capacity of a greater number of Trade Points through training programmes.

33. In the coming year, the thrust of UNCTAD's action with regard to the Trade Point Programme will be to ensure further progress in the implementation of the Strategy, in line with guidance from UNCTAD member States and in close consultation with the Trade Point community. Within this framework, UNCTAD will:

- Consistently work towards the transfer of activities that can be better developed outside the United Nations environment (e.g. enhancement of the ETO system and its transition to a transactional stage) to a suitable not-for-profit entity, such as an international Trade Point federation. The necessary preparations will be made from both the technical and legal points of view to ensure the setting up of a viable replacement solution and a smooth transfer of activities from UNCTAD. The new GTPNet is already technically conceived in a way that in principle allows for outsourcing of management of its individual components. Work on the preparation of the legal basis of an international Trade Point federation is also well advanced and the issue will be prominently featured at the next World Trade Point meeting (Geneva, 6 - 10 November 2000). Due attention will also be paid to building capacity in the Trade Point federation to effectively manage the "externalized" activities.

- Refocus its own activities on those where it has a comparative advantage and a specific role to play.

34. An example of one such an activity is technical assistance projects, particularly training, where UNCTAD would prepare project proposals, liaise with donors and manage project implementation. The real impact that UNCTAD can make in strengthening Trade Points and helping them become operational, which is a precondition for setting up regional/national Trade Point Forums, will however crucially depend on the availability of extra-budgetary resources. Another related activity is provision of information, guidance and advice to Trade Points. Yet another is ensuring that the orientation of the Programme towards integrating both, in particular weaker and stronger

partners, in one cooperative system be maintained while ensuring that all Trade Points will receive the same level of services and support and be treated in an equitable manner. It can be envisaged that these activities/roles could also be progressively transferred to an international Trade Point federation.

III. OPTIONS FOR A SUITABLE NON-PROFIT ORGANIZATION TO MANAGE THE ETO SYSTEM

35. The Working Party, the Trade and Development Board[9] and UNCTAD X[10] decided to explore options for a suitable non-profit organization, including an international Trade Point federation, to manage the ETO system, taking into account the views of Trade Points worldwide on this issue.

36. In the preparation of a proposal, the following considerations should be taken into account:

- The ETO system is fully integrated with the GTPNet company database, which adds value and credibility to individual offers and demands circulated in the system. Therefore, any decision that might be taken should address both the ETO system and the company database.

- A prototype of an advanced ETO system has already been developed but still needs to be tested in practice and further fine-tuned on the basis of user feedback.

- The ETO system is a major source of income for a number of Trade Points. This has two implications. First, many Trade Points vitally depend on ETOs for income generation. Second, the ETO system might be of interest to entities in which the interest in deriving income from the system might prevail over the notion of service that it should provide to the weaker players in international trade, such as developing countries and SMEs.

37. Taking account of the above, the UNCTAD secretariat proposes that the new ETO system be transferred together with the company database when it has been successfully tested and when a suitable outside non-profit entity is identified to manage and develop the system further. As recommended by the Working Party at its thirty-fourth session, the views of the Trade Points worldwide should be taken into account when a decision on this issue is taken. The secretariat therefore intends to continue the discussion of this topic with the Trade Points during the coming World Trade Point meeting.

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[9] Para. (b) 4, Trade and Development Board, Working Party on the Medium-term Plan and the Programme Budget, thirty-fourth session, "Evaluation of technical cooperation programmes, Agreed Conclusions" TD/B/WP/L.93.

[10] UNCTAD, Tenth session, "Plan of action", para. 158 (TD/386).

38. The following options may be envisaged with regard to the externalization of the ETO system:

- Option 1: transfer the system to an international Trade Point federation

  The advantage of this solution stems from the inherent interest of Trade Points in the proper functioning of the system. Since all Trade Points would be represented in the international Trade Point federation, the risk of diverting the system from its original purpose towards serving private interests is minimal. At the same time, the federation would be free to enter into partnerships with competent private-sector partners with a view to maintaining high-quality technical services and developing income-generating activities in a way compatible with the principles of the Trade Point Programme.

- Option 2: transfer the system to an entity outside the Trade Point community

  The possibility of approaching the International Chamber of Commerce has been considered. However, since in some countries there is a conflict of interest between the Chamber of Commerce and the established Trade Points, this solution could create additional problems, which would not be conducive to strengthening the cooperation of Trade Points. Transferring the system to any entity outside the Trade Point community could create the risk of excessive commercialization of the system and its conversion into a profit-driven activity, which might have an adverse impact on or completely exclude weaker members of the GTPNet. In addition, it would become difficult for Trade Points and the administering body of the Trade Point Programme to have a decisive or even a complementary role to play in the management and development of the ETO system if changes were necessary on the basis of Trade Point clients' experiences and events in the world. Also, there would be a danger that the host organization would have other types of products in mind, which did not necessarily respond to the interests and needs of Trade Points.

- Option 3: transfer the system to an advanced Trade Point

  If a Trade Point were selected to take over the system, it would have the advantage of better knowledge of the functioning and potential of the system than an outside entity. The drawback, however, would be that one single Trade Point might obtain (or be perceived as obtaining) an unfair advantage over the rest of the Trade Point community. In addition, an entire region could secure a more competitive and stronger role than another one and regional decisions could be made with a negative impact on the programme worldwide. Certain regions with specific needs might be disregarded.

39. After analysing the three different options with the Trade Points, and considering the disadvantages of options 2 and 3, the secretariat considers that the only acceptable

solution is for an international Trade Point federation to take over the management of the ETO system.

Conclusion

40. Activities regarding the renovation of the GTPNet have been carried out within existing resources both from the regular budget and extrabudgetary ones. In order to finalize these activities, in particular the fine-tuning of the technical set-up at the various Trade Point locations, UNCTAD will have to mobilize additional financial resources.

41. The continued availability of a legal adviser in the Trade Point Programme plays a critical role in ensuring consistent implementation of the Strategy and an orderly transfer of Trade Point programme responsibilities to the international Trade Point federation. In the past the services of the legal officer were funded from extrabudgetary resources, but the funds allocated for this purpose have been exhausted.

42. The activities set out in the Strategy regarding capacity building have not progressed beyond their conceptual stage because of lack of funding. It was indeed clearly spelt out in the annex to the Strategy[11] that most of the activities regarding training were dependent on the availability of extrabudgetary funding.

[11] Document TD/B/WP/120/Add.1

[This table is an identical reproduction of TD/B/WP/120/Add.1]

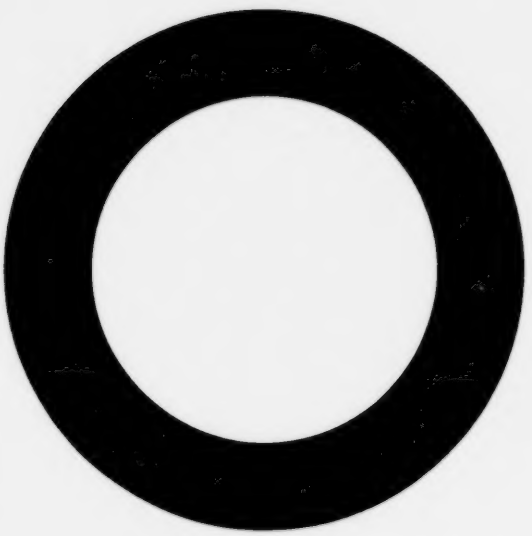
Annex

Objectives	Activities	Time frame	Indicators	Assumptions and risks
Capacity development	Fund raising for training activities	October 1999 – December 1999	Donor(s) funding confirmed	Strategy endorsed by member states at the thirty-fourth session of the Working Party, and donors confirm interest in providing financial support
	Training of 8 to 10 course developers selected mainly from Trade Points	Three weeks in February 2000 and three weeks in July 2000	8 to 10 course developers fully trained for subsequent activities	Extrabudgetary funding available
	Development and update of six courses to support the development of Trade Point services and to strengthen the Trade Point management capacity, including with respect to financial aspects	March 2000 – December 2001	Courses completed on Development of Trade Point Services, Trade Point Management, Trade Facilitation, E-Commerce, Global Architecture of GTPNet, and Trade Point website Design	Extrabudgetary funding available
	Preparation and update of Trade Point and GTPNet guidelines based on the experiences gained by, and the best practices at, operational Trade Points	January 2000 – December 2000	Guidelines for the establishment of Trade Points, management of Trade Points, effective operation of ETOs, value-added GTPNet tools, such as web publishing, and marketing of these tools available for Trade Points and their clients	Extrabudgetary funding available
	Training of 8 to 10 trainers selected mainly from Trade Points	Two weeks in June 2000 and two weeks in November 2000	8 to 10 trainers fully trained for subsequent delivery of training	Extrabudgetary funding available
	Establishment and maintenance of a roster of consultants selected mainly from Trade Points	October 1999 – September 2002	Roster of consultants available	

Objectives	Activities	Time frame	Indicators	Assumptions and risks
	Course/workshop delivery by region, including courses for the above-mentioned trainers	September 2000 – September 2002	Courses and workshops held in all regions	Extrabudgetary funding available
	Support the establishment by Trade Points themselves of regional Trade Point forums	October 2000 – September 2002	Regional Trade Point forums established in Africa, Asia and Europe, and for Arab and Mediterranean countries	Commitment and support by the Trade Points of the particular regions
	Support the establishment by Trade Points themselves of an international Trade Point federation	By March 2002	International Trade Point federation established (if so decided by the Trade Points)	Commitment and support by the existing regional Trade Point forums
	Handing over of activities to the regional/international Trade Point federation(s)	By September 2002	Regional/international Trade Point federation fully functioning	Funding available from participants and interested donors for staff and operational expenses of the regional/international Trade Point federation(s)
Renovation of the GTPNet	Updating of interactive tools, including a discussion database function, in a pilot phase with five Trade Points	October 1999 – February 2000	Release 1 of renovated GTPNet operational	Participating Trade Points have the technical capacity to adopt the new tools; local expertise available
	Renovation of the ETO system, taking into account the views of Governments and experts	November 1999 – March 2000	Renovated ETO system operational (on-line structured ETOs, search engine, profile-based subscription features)	Introduction by users of new quality criteria and adoption of new technology tools
	Update of system set-up based on user feedback	March 2000 – June 2000	Release 2 of renovated GTPNet operational	Feedback received from users in a timely manner

Objectives	Activities	Time frame	Indicators	Assumptions and risks
	Dissemination of renovated tools and techniques to Trade Points	July 2000 – June 2001	At least 50 Trade Points equipped with new technology or fully prepared for its introduction	Extrabudgetary resources available for training seminars; local technical environment ready to accept the new tools
	Fine-tuning of knowledge database function based on experiences gained from discussion database	January 2001 – March 2001	Knowledge database fully operational	Effective use by Trade Points of this tool; regular inputs from users received
	Transfer of know-how on maintaining and managing the GTPNet to regional forums	July 2000 – September 2002	Regional forums established	Extrabudgetary resources available for training seminars
	Transfer of know-how on maintaining and managing the GTPNet to the international Trade Point federation	April 2002	International Trade Point Federation established	Extrabudgetary resources available for training seminars

Abbreviations: ETO electronic trading opportunity
GTPNet Global Trade Point Network



UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/WP/129
13 July 2000

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Thirty-sixth session
Geneva, 11-15 September 2000
Item 6 of the provisional agenda

EVALUATION OF UNCTAD EMPRETEC PROGRAMME

Prepared by an independent evaluation team:

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Executive Summary

UNCTAD EMPRETEC is a programme that provides developing countries with training in entrepreneurship. Its activities involve the delivery of motivational and technical seminars, the provision of advisory services and the development of national and international networks serving the needs of entrepreneurs. The programme was initiated in the United Nations Centre on Transnational Corporations (UNCTC) in New York in 1988, and was gradually transferred to UNCTAD, with the responsibility being located definitively in Geneva only since 1998. As of December 1999, the programme is fully active in twelve countries, with preliminary activities being initiated in seven other countries. Although the EMPRETEC concept is still appropriate, the training component of the programme needs adaptations. Over the years, the leading role the programme enjoyed at the time of its launching has not evolved favourably with the introduction of new competitors. Nevertheless, there does not appear to be any full substitute to EMPRETEC. The programme still possesses a large international network, and benefits from the favourable perception of UNCTAD in developing countries. According to the data available, it would appear that the cost of "producing" an Empreteco is rather modest. As of December 1999, only a few of the national programmes were close to being financially sustainable. The report provides a number of recommendations with the aim of improving the effectiveness of the programme. They fall under two broad strategic areas: substantive and operational sustainability, and international networking. They involve a shift in focus for UNCTAD EMPRETEC. They should be given priority in order to consolidate the programme as an essential step towards a more efficient delivery of its activities.

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Appendix I – Terms of reference

Appendix II - Methodology

I- Introduction

1. EMPRETEC was established in 1988 to promote entrepreneurship among small and medium-sized enterprises (SMEs) in developing countries The programme is meant to identify promising entrepreneurs, to provide them with training aimed at developing their entrepreneurial traits and their understanding of basic business procedures, to give them access to appropriate advisory services, and to link them with trade partners nationally as well as internationally. The programme emphasises the building of active networking between public institutions, private business associations and multilateral organizations as well as between national EMPRETEC programmes and other programmes promoting entrepreneurship at a regional level.

2. The EMPRETEC concept draws on several other experiences (India's Entrepreneurship Development Programme (EDI), Bocconi University's Gemini Programme, the Rensselaer Polytechnic Institute's programme (USA), and more importantly from USAID-supported research on personal entrepreneurial characteristics conducted by MSI (Management Systems International, Washington, D.C.).[1]

3. The programme went through three phases. From 1988 to 1994, the United Nations Centre on Transnational Corporations (UNCTC) in New York ran the programme. Officially, the programme was transferred to UNCTAD Geneva in 1994. But in effect there were two EMPRETEC teams in operation after 1994 and until 1998,[2] one in New York and one in Geneva. In fact, one staff member appears to have been working on EMPRETEC in New York until 1998. It could be claimed however that since 1996 the responsibility for the management of the programme has been progressively more firmly located in Geneva, and is definitively so since 1998.

Purpose, scope, and methodology of the evaluation

4. The terms of reference state that the evaluation is to be comprehensive, and to cover the programme since its inception in 1988. It will include an examination of the concept and design of the programme, its implementation, its comparative advantage, the relationships between this programme and other relevant programmes, the results obtained and its impact. Lessons are to be drawn, and recommendations made on the strategy and priorities of the programme. The extent to which the funds provided are adequately used is to be assessed. The gender dimension must be taken into account whenever possible.[3]

5. The evaluation team is composed of a professional evaluator and of two government representatives, one from the donor and another from the beneficiary community both acting in a personal capacity.

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[1] United Nations, Economic and Social Council. Experience gained in technical cooperation activities relating to foreign direct investment and transnational corporations – Entrepreneurship and enterprise development, Report by the UNCTAD secretariat (E/C.10/1994/9).

[2] Ten years of EMPRETEC: Report on the meeting of EMPRETEC directors, leading Empretecos and heads of EMPRETEC associations, UNCTAD secretariat, Geneva, circa December 1997, p. 1.

[3] The detailed terms of reference are presented in Appendix 1.

6. The methodology adopted by the evaluation team is described in Appendix 2. It involved the production of a logical analysis framework, visits to five national programmes, and extensive consultations with all parties concerned.

7. Sample coverage either through field missions or surveys reaches 84 per cent of all funding received by national programmes and 76 per cent of all Empretecos trained.

II- Review of EMPRETEC activities

1. Geographical coverage

8. EMPRETEC activities started in 1988 in Argentina where the names Empretec and Empretecos, which are now used worldwide, were coined, from the contraction of two Spanish words "emprendedores" (entrepreneurs) and "tecnología" (technology). Since then, the programme has been launched in twelve other countries.[4] The term Empretecos has remained even if the focus on technology has not been adopted in other countries.

9. As of December 1999, the programme is still active in twelve of the thirteen countries where it was initiated since its inception in 1988. It should be noted that no national programme was launched between 1992 and 1996. Although a number of programmes were prepared in Asia, none had been implemented as of December 1999.

10. In addition to these thirteen countries, according to UNCTAD, EMPRETEC projects have been launched with preliminary activities in seven countries, and initiated without activities in seven others. In addition, requests have been received, and are at various stages of preparation, for more than 20 countries. EMPRETEC is also involved in other regional initiatives such as Enterprise Africa and Med 2000.

2. Funding of national programmes

11. Over the years, the EMPRETEC programme has received support from many multilateral and bilateral assistance programmes as well as from local government agencies promoting entrepreneurship and SMEs.[5] In spite of the generous assistance given by UNCTAD EMPRETEC to the evaluation team, it has not been possible to draw up a complete account of all the financial contributions made to the programme. It appears that many of the records were not transferred from New York in 1994 (or afterwards) when the management of the programme was relocated to Geneva.

12. On the basis of the responses to the questionnaire sent to national programmes and from secondary sources available in Geneva, it is estimated that the programme received at least US$ 35.3 million (in 1999 dollars) between 1989 and 1999 from local governments, and from bilateral and multilateral donors).[6]

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[4] Uruguay 1989, Nigeria 1989, Ghana 1990, Chile 1990, Brazil 1991, Venezuela 1992, Zimbabwe 1992, Colombia 1996, Botswana 1997, Morocco 1998, Ethiopia 1999, Russian Federation 1999. (Source: EMPRETEC – The First Ten Years (UNCTAD/ITE/EDS/Misc.17), Geneva, 1999)

[5] EMPRETEC – The First Ten Years, United Nations, Geneva, 1999, p. 43.

[6] Data are missing for three national programmes.

3. Staffing and funding of the programme at headquarters

13. From 1988 to 1994, the EMPRETEC staff in New York was composed exclusively of extrabudgetary positions and of consultants. The total number of staff fluctuated from two in 1988 to four in 1994 with a high of six from 1991 to 1993. Apparently, one position was also kept in New York from 1995 to 1998 in spite of the fact that the programme had been relocated to Geneva in 1994.

14. Total staff in Geneva started from a low full-time equivalent of .75 in 1994, and reached a full-time equivalent of 6.5 persons in 1999 (2.5 on the regular budget, 2 extrabudgetary positions and 2 GS).

4. Activities undertaken by national EMPRETEC programmes

15. Activities fall under four headings: training events; training packages developed; advisory packages developed; networking activities.

16. **Training events.** Two types of training event took place: basic motivational seminars (Entrepreneurial Development Programme, EDP, as well as its version for the public sector); and specialized seminars offered to Empretecos after they attended the EDP seminar.

17. **EDP.** These seminars are the backbone of the EMPRETEC concept. Indeed, a true Empreteco may be defined essentially as an individual

1) who demonstrates significant entrepreneurial abilities and a strong success potential;
2) who is selected after a formal and rigorous selection process, and
3) who has attended an EDP seminar.

18. Such Empretecos may then attend specialized seminars on various aspects of management principles, access advisory services offered by national EMPRETEC programmes, and participate in several networking activities. But EDP remains the gate to the Empretecos world, and as a result, all national programmes run EDP seminars every year or even several times a year according to local demand.

19. The number of EDP seminars varies from one country to the next but it usually increases over the life of national programmes. Yet, great disparities may be observed between one country and another often because of country size. In 1999 for instance, one large country reported 285 seminars whereas another reported only two seminars.

20. The same basic EDP package is used worldwide. Two types of adaptation took place over the years: "localisation" and structural changes. Localisation refers to changes made in the programmes in order to conform to cultural specificities such as choice of local examples, characters, and situations when typically foreign stereotypes are at odds with local conditions. Structural changes refer to in-depth alterations that require shortening or eliminating part of the original package or else adding new elements to it.

21. **Localisation** has taken place in all countries, and structural changes have occurred in most of the countries surveyed. For instance, the length of the programme has been changed from the original ten days to seven or even less in some countries. Time allotted to the

coverage of some topics has been shortened in some countries. This has been more particularly the case with regard to the business planning section of the EDP. Other topics have been introduced by trainers according to perceived local needs.

22. **Specialised training.** In all countries surveyed, specialised training seminars are developed according to demand. The most frequently specialised training seminar offered is on business plan development. Other seminars cover such topics as quality management, bookkeeping, financial management and marketing management. These programmes may be developed in-house but there is a clear tendency to rely on outside specialists as needed. Since these seminars are offered only when there is sufficient demand, their number varies greatly from one country to the next and from year to year. In 1999 for instance, the number of specialized seminars offered ranged from two to 56.

23. Since the development of specialised training packages derives from national demand for specialised training, production of such packages varies from one country to another and from year to year. Data gathered during the field missions and from secondary sources indicate that in 1999 two to nine packages per country were developed. Since these programmes are often offered by or in collaboration with external suppliers, it cannot be claimed in a number of instances that they have truly been developed by the national programmes themselves.

24. **Advisory services.** Much of what has been stated above about specialised training can also be said about advisory services. Field investigation revealed that in 1999 the number of group advisory services developed/offered on a national basis ranged from two to nine except in one exceptional case where no advisory package has ever been developed since the inception of the programme. In that country, it was decided to provide all Empretecos with a full range of individualised services following a case-by-case need analysis and through referral to external advisory suppliers.

25. **Networking activities.** The EMPRETEC concept emphasises the development of linkages 1) between Empretecos, 2) between Empretecos and large national firms and/or TNCs, 3) between Empretecos and lending institutions. Other linkages have been launched internationally between Empretecos, EMPRETEC trainers and directors of national programmes.

26. Most country programmes are characterized by frequent networking activities among Empretecos and between Empretecos and other firms. National programmes promote such exchanges through a variety of events such as business forums, conferences, business breakfasts, the delivery of business awards as well as direct referral. However, since records on such activities are seldom kept, it is rarely possible to quantify these exchanges.

27. In this area, the evaluation team chose to focus on the tangible outcome of some of the activities concerned such as the number of contracts signed and loans obtained by Empretec firms. Out of seven countries surveyed (either through a questionnaire and/or field mission) that had been engaged in such activities for a sufficient length of time, four were unable to provide the requested information.

28. The remaining three provided vastly different answers. Over the last three years (1997 to 1999), the number of contracts signed between Empretec firms and foreign firms per 100 Empretecos and per annum ranged between 0.7 and 2.8, while the number of contracts signed

between Empretec firms and national government procurement agencies amounted to 2.0 and 4.0 (data available for only two countries), the number of contracts signed between national Empretec firms ranged between 0.5 and 3.0 and the number of contracts between Empretec and non-Empretec nationals varied between 1.3 and 1.7 (data for two countries only). The number of loans granted by financial institutions to Empretec firms ranged over the same period between 8.5 and 23 per 100 Empretecos and per annum (data for two countries only).

5. Number of Empretecos produced by the programme

29. This section deals with the number of entrepreneurs trained, the number of entrepreneurs advised and the number of networking entrepreneurs. Meaningful figures can be drawn only from country programmes that have been in existence for a long enough time. In this section, all country programmes taken into account have been active for at least seven years.

30. **Number of entrepreneurs trained.** Statistics have been provided by UNCTAD on a number of occasions, and the latest to be published are presented in the booklet, entitled *Empretec - The First Ten Years* (December 1999). They do not always concur, as they are based on secondary accounts. Under these conditions, the evaluation team felt it would be sensible to arrive at its own estimates.

31. The number of entrepreneurs trained since the inception of the programme for four countries on which the evaluation team has been able to obtain data is 5 090 according to UNCTAD. The number obtained by the team is 4 700. That is 8 per cent less than the UNCTAD figure.

32. It should be observed that the estimate produced by the evaluation team includes individuals that may have been accepted in the EDP without going through the usual formal selection process. On the basis of the information gathered during the field mission, it appears that on average about 10 per cent of the EDP participants have been admitted into the programme without going through such a process. It should be taken into account that the proportion of such participants is on the increase in several countries.

33. **Number of entrepreneurs advised.** Three countries provided adequate data on this issue. On average, the number of Empretecos that benefited from advisory services ranges, on average, between 12.6 and 25.6 per 100 Empretecos per annum over the 1997-1999 period. Advisory services have been provided in many countries through group counselling rather than on a one-to-one basis.

34. **Number of networking Empretecos.** All country programmes keep a listing of participants in their training activities and in particular in EDP. In most of the cases that were investigated in the field, it appears that these listings are not regularly updated. After some probing, it turned out that the proportion of Empretecos involved on a regular basis in various networking activities such as participation in national or international EMPRETEC events is only a fraction of the total number of Empretecos. It ranges from the exceptionally high figure of 42 per cent to a more likely low of 10 per cent of all Empretecos produced by national programmes since their inception. Except for a core of very active members, most Empretecos still in business tend to stay aloof without giving any news of their activities.

35. **Gender.** Female representation ranges between 10 to 30 per cent of Empretecos. The ratio tends to be somewhat higher in Africa than in Latin America.

6. Increase in entrepreneurial activities

36. The overall objectives of the EMPRETEC programme are to increase entrepreneurial capacity at the national level, either in all or only in specific sectors (depending on the targeting strategy adopted by national the programme concerned) as well as in exporting. Performance indicators used in order to assess whether these objectives have been met are: number of new small and medium-sized enterprises (SMEs); increase in total sales; number of new exporting SMEs; increase in export volume.

37. Satisfactory data have been collected for five countries. One country, however, provided only part of the requested information. It should be stressed that, except in one case, the data provided by national programmes is based on the judgement of the respondents rather than on tangible records.

38. Except for survival rate estimates, no comparable data have been located that would allow for any meaningful benchmarking exercise.

39. **Creation of new SMEs**. Most entrepreneurs already ran their own business before joining the EMPRETEC programmes. For those that did not, it is estimated that within three years of attending the programme, the proportion of Empretecos who started new businesses ranged between 9 and 33 per cent in the five countries for which data were available.

40. **Increase in number of employees**. This is estimated (in four countries) to range between 5 and 25 per cent (for businesses already in operation before the entrepreneurs attended the EMPRETEC programme). Although this indicator may be useful as far as employment policy is concerned, it is not a reliable performance criterion at the firm level. More appropriate criteria from a management point of view are increases in domestic and/or export sales and profitability.

41. **Increase in sales.** After three years, Empretecos already in business prior to attending the programme increased their sales by 10 to 80 per cent. Strong variations are observed between countries. African countries report significantly higher sales increases than Latin American countries.

42. **Increase in export sales.** After three years, Empretecos already in business prior to attending the programme reported increases ranging between 15 and 100 per cent. The rate is significantly higher in countries that have adopted an export expansion objective. Not all responding countries have adopted such a strategy.

43. **Survival rate.** The effectiveness of a BDS is reflected by the survival rate of the firms that benefited from it. In general, survival rates for SMEs are notoriously low not only in developing countries but also in industrial countries where they are seldom higher than 70 per cent after three years of operation in new businesses. The data collected provide estimates for new businesses and for businesses already in operation prior to attending the EMPRETEC programme. Survival rates reported for new businesses differ widely from one country to the other and range between 30 and 85 per cent. For businesses in existence prior to attending the EMPRETEC programme, the rates are higher and range between 70 and 92 per cent.

III - Evaluation of the programme

1. Programme concept and design

44. As stated in the introduction, EMPRETEC is meant to promote entrepreneurship through the delivery of a training programme, the provision of advisory services and the establishment of various networks supporting SMEs.

45. **Training.** It is clear that the motivational training programme (EDP) has met with considerable enthusiasm in all countries. Participants' evaluations are always very high, and comments are extremely positive. Yet detractors external to the programmes often claim that the programme is too soft, and does not provide the technical skills required to successfully run an SME.

46. A distinction has to be made between EDP and other technical seminars such as bookkeeping or quality management. With regard to technical training, criticism is often legitimate. When national programmes have not proposed such training, and firmly induced Empretecos to attend them, Empretecos have not acquired the necessary technical skills except through a costly process of trial and error.

47. It has indeed been observed in the course of the field mission that in a number of countries such technical training was limited, and that Empretecos did not indeed receive sufficient preparation in this area. In most cases, this was not because the need was unrecognized but rather because resources were lacking for developing and subsidizing such programmes – as technical training is often requested by Empretecos.

48. **Advisory services.** To a large extent, advisory services were offered as an individual response to a shortage of technical training seminars. This was, of course, rather a costly alternative to meeting the needs of Empretecos. Business plan preparation is the most obvious case in point. When such basic technical training was not provided, Empretecos had to be individually and less cost-effectively coached, or left unable to promote their business interest successfully, in particular when approaching lending institutions.

49. **Networking.** The networking objective met with a variable degree of success depending on the specific nature of the networking objectives pursued. Empretecos have usually joined forces in most countries, sharing experiences and business tips, and participating in a variety of EMPRETEC activities. Yet EMPRETEC associations have not flourished everywhere, and national programmes have not always been successful in nurturing them.

50. When the national objective has been to develop closer relationships between entrepreneurs and government, the record has been fairly good. However, it should be stressed that this has not always been a national objective.

51. In general, the development of business relationships between Empretecos and TNCs has been an objective almost impossible to achieve.

52. It may be wondered whether the EMPRETEC concept is still appropriate; but the evaluation team feels that this is certainly the case. The EMPRETEC formula (motivational

training plus technical training plus advisory support plus networking) remains an appropriate one. However, certain conditions have to be met in the future and these will be spelled out in the section IV of this report dealing with recommendations.

2. Adaptability to changing needs

53. The record shows that over the years and under quite diverse conditions the programme has been able to survive and move forward in most countries. It has indeed proved to be adaptable to changing needs in both time and space. What is intriguing is that it has been adaptable "by default" and thanks to the efforts of national programmes, since for many years countries were left practically without any guidance from EMPRETEC headquarters as a result of the confusion and friction over the transfer of the management of the programme from New York to Geneva.

54. There is evidence, however, that the training component of the programme has aged and needs to be adapted. The most obvious adaptation required concerns the motivational seminar. National programmes would wish to see the EDP modernised, and to be able to use a new "improved" version of this seminar. Themes covering new issues are requested in all the countries that were visited by the evaluation team members. The same can be said, though to a lesser extent, about technical training and advisory activities. Some countries experience difficulties in identifying news training/advisory needs, in training their own trainers or in accessing external trainers.

3. Implementation of the programme

55. To what extent UNCTAD contributed to the success of national programmes is ambiguous. The pioneering of EMPRETEC was not done by UNCTAD but by the United Nations Centre on Transnational Corporations (UNCTC) in New York in the late 1980s. UNCTC managed to accomplish a remarkable expansion of the programme over a four-year period, between 1988 and 1992. The present "success stories" described in EMPRETEC publications were initiated in this period. UNCTC was dismantled in 1992, and part of its functions transferred to UNCTAD in Geneva where one of the senior EMPRETEC officials was also transferred. But the lack of a clear mandate from United Nations top management as to where EMPRETEC should be located caused considerable confusion and a duplication of EMPRETEC programmes that lasted at least four years (1992-1996). In fact, it might be argued that EMPRETEC was not fully transferred to Geneva until 1998.[7]

56. This resulted in a severe drop in programme effectiveness during all those years. No new national programme was launched between 1992 and 1996, and existing programmes were left with little backing from EMPRETEC headquarters. Institutional contact was lost with most national programmes. The relocation from New York to Geneva was notoriously difficult, the integration of the EMPRETEC programme within the UNCTAD structure appeared to have been anything but smooth, and funding was hard to get. As a result, UNCTAD EMPRETEC was unable for years to see to the upgrading of the programme, or to the expansion of the support services to Empretecos, and was also unable to respond adequately and in a systematic manner to requests from the field.

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[7] This state of affairs is acknowledged in an internal report produced in December 1997: Ten Years of EMPRETEC – Report on the Meeting of EMPRETEC directors, leading Empretecos and heads of EMPRETEC associations, UNCTAD secretariat, Geneva, circa December 1999, p. 1.

57. Other shortcomings of the programme may also be imputed, at least in part, to this lack of sustained support from UNCTAD EMPRETEC. In addition to insufficient follow-up in the implementation of the national programmes, the field mission has revealed that training of trainers has been insufficiently supervised. In a number of countries, the number of trainers is now dangerously low. Inbreeding may ultimately lead to lower quality training. Moreover, UNCTAD EMPRETEC Geneva has made only limited investments in R&D, whether directly or indirectly. As a result, UNCTAD EMPRETEC has been unable to transfer new knowledge to national programmes. Finally, the cross-fertilization potential from one part of the world to another or from one country to another within regions has been limited to too few cases. Annual meetings of EMPRETEC stakeholders have been taking place since 1997. This initiative has been well received from national programmes. They continue to request more opportunities for international networking, and expect more concrete follow-up actions in the future than in the past as a result of those meetings.

4. Comparative advantage of the programme

58. At the time of its launching, the programme had a clear lead advantage. The concept was both comprehensive and innovative, and the test of time proved that altogether it was quite effective. Since then, various BDS (Business Development Services) initiatives have sprung up promoted either by bilateral or multilateral agencies.

59. Although there does not appear to be any full substitute to EMPRETEC, alternatives have emerged since its inception. Competition has increased considerably regarding the training component of EMPRETEC. Universities have developed entrepreneurship programmes in industrialized as well as in developing countries. In addition, consulting firms have entered the field. Notably, former EMPRETEC trainers have offered cloned programmes in direct competition to EMPRETEC. Consequently, the comparative advantage of EMPRETEC has not evolved favourably over time.

60. Yet there is still plenty of need for EMPRETEC as demand for such a service has also considerably expanded over time. The numerous leads for new projects that UNCTAD EMPRETEC is presently considering provide evidence to support this claim. In addition, EMPRETEC benefits from a large international network that could be much better attended to than it is at present. This network constitutes a major asset for EMPRETEC - perhaps its most distinctive one.

61. Forming part of the UN family is also an advantage to the programme. It gives EMPRETEC a patina of credibility that other non-UN BDS programmes do not offer.

5. Relationships between EMPRETEC and other organizations/initiatives

62. EMPTRETEC has entertained relationships most notably with ILO, ITC and regional programmes such as Enterprise Africa and Med 2000.

63. ITC has traditionally offered services in trade promotion and more recently in the upgrading of general managerial skills through its Global Competitiveness Programme. ITC may therefore be regarded as offering complementary services (e.g. export promotion) and partly competing services (e.g. competitiveness training). Although, it there is considerable

potential for cooperation it would appear that it has been exploited only to a limited extent so far.

64. UNDP has contributed to support EMPRETEC over the years. In addition, it has used UNCTAD expertise in this field in implementing regional projects such as Enterprise Africa. UNDP is also involved in other activities concerning small enterprises. However, they are different from what is offered by EMPRETEC.

65. Regional programmes offer considerable potential for cooperation in the future. A case in point is MED 2000 which regroups under a common umbrella both EMPRETEC and ITC as well as other programmes such as ISO. This programme is able to offer a broad portfolio of services to developing countries as well as the possibility of designing programmes to fit their needs.

66. Regional programmes present advantages for UNCTAD EMPRETEC. Close to the field, they are in a better position than UNCTAD EMPRETEC to identify national needs, as well as to offer services complementing the offer of national EMPRETEC programmes. They also present the advantage of being adept at spotting national competencies that may be tapped and used in other countries within the region. As an example, Enterprise Africa has designed a sectoral export promotion programme to be implemented within several African countries, and trainers have been active in other countries than their own. The Central American programme is implemented in three countries, thanks to a grant from IDB that went directly to the countries. They in turn, contracted with EMPRETEC Uruguay. UNCTAD intervention concentrates on quality control and the property rights of the programme.

6. Relationships with donors and beneficiaries

67. Meetings took place with representatives of donor and beneficiary country missions in Geneva. It was obvious that the institutional memory regarding EMPRETEC was often lacking. However, in the case of two missions of beneficiary countries presently in contact with UNCTAD EMPRETEC clearly acknowledged the relevance of the programme and showed considerable interest in its activities. One donor country has expressed its appreciation of the programme, while another has stated its dissatisfaction over the management of its contribution.

7. Success factors

68. A number of factors are usually referred to in connection with the degree of success of BDS (Business Development Services). They include macroeconomic and political conditions, managerial considerations, distinctive advantages, and resources provided.

69. A number of factors have facilitated or impeded the achievement of EMPRETEC objectives. Certainly, favourable country conditions such as government interest in promoting entrepreneurship and SMES did play a role, and such a basic prerequisite was not satisfied in at least three countries. This could point to an inadequate assessment of local access conditions. General macroeconomic conditions may occasionally have hampered the launching of EMPRETEC programmes. But it is felt that the factors that have most contributed to the success of some national programmes were the entrepreneurship, competence, and networking asset of the national programme directors and of the board of trustees as well as the competence of the managing teams.

70. Two other factors played a considerable role: the abundance of financial resources and/or the tutelage of private sector institutions such as professional associations and financial institutions. These supporting partners played a considerable role in sustaining the programmes in hard times, most notably when they were under financial stress.

71. In general, it is felt that the programmes that were most successful are also the programmes that received the largest financial support, from national as well as from international sources. Although a causal link may not be established, the association between the size of the financial support received and the degree of success is undeniable.

8. Cost-effectiveness

72. Cost-effectiveness refers to the ability of national programmes to provide quality services at as low a cost as possible. Cost itself is not defined in a unique way in BDS (Business Development Services) studies dealing with this issue. In some studies cost refers only to direct variable costs whereas it would be more appropriate to look at total cost over the life of a project. In addition, cost-effectiveness analyses are likely to be short on meaningfulness unless they involve some degree of benchmarking, and unless they somehow relate to the social gains resulting from the programme. Since the national programmes analysed in this evaluation have taken place over more than seven years it is possible to draw some full cost estimates, and even to take into account headquarters expenses.

73. It is possible to estimate the full cost of training an Empreteco at the national programme level on the basis of the data gathered through the questionnaire and during the fieldwork. Except for one outlier, the cost ranges between a low of $ 800 to a high of $ 2 700 (in 1999 dollars). The data also indicate that the cost of training an Empreteco is higher in Africa than in Latin America.

74. These figures provide a very rough estimate of the full cost of training an Empreteco. This cost depends heavily on the degree to which the programme is individualized and on the range of services provided. For instance, one country that has shown the lowest total cost per Empreteco, has also offered the most limited range of services to trainees that was observable in the course of this evaluation. In another country which has adopted a mass training approach, cost reaches the rather low level of $ 900 (in 1999 dollars).

75. It should be kept in mind that these figures still do not take into account all the costs involved in training Empretecos. For one thing, it does not include the fees for services paid by the Empretecos themselves.

76. If one were to add the EMPRETEC headquarters cost of training Empretecos - which is not usually done in BDS cost-effectiveness studies - the figures quoted above would have to be increased accordingly.

77. **Benchmarking.** UNCTAD has recently produced an analysis of the operations of EMPRETEC Colombia.[8] According to the cost estimates presented in this paper, the direct

[8] Increasing the Financial Viability of the EMPRETEC Programme – The Case of Colombia. Paper presented at the International Conference on Business Development Services, Hanoi, Vietnam, 3-6 April 2000.

variable operating cost per Empreteco has been 823 $ on average over a two-year period (1998-1999). Operating cost estimates do not take into account fees paid by Empretecos.[9]

78. The data reveals that the cost of training an Empreteco declines over time. Start-up costs need to be absorbed, and time allows for reaching economies of scale. In the Colombian case, operational cost dropped considerably from the first to the second year due to the fact that local trainers replaced external consultants.

79. If one were to take into account the fixed costs, which may be estimated from the preliminary project document, the full-cost equivalent per Empreteco would increase by a factor of 2.5. This would indicate that the cost estimates produced in the course of this evaluation are comparable to those produced by UNCTAD for Colombia, with the exception of one country.

80. Comparable data on non-EMPRETEC programmes are hard to come by. Few BDS provide detailed information relating to cost-effectiveness, "not least because there is not yet any agreed methodology for measuring it across projects".[10] ILO gives some estimates for several BDS in Africa.[11] They fall in the range of $ 340 - $ 760 but, should not be compared with the estimates for EMPRETEC since they do not take fixed costs into account.

81. As mentioned earlier, a proper appreciation of cost per trained Empreteco cannot be made meaningful without considering the benefits resulting from such training in the recipient countries. When one takes into account the benefits from increased entrepreneurial activities resulting from EMPRETEC listed previously in this report (i.e. the increase in number of employees, in sales, in export sales), it would appear that the cost of "producing" an entrepreneur is rather modest (except in the case of one country). Yet only a thorough cost-benefit analysis would provide a definite answer to this question. Such an analysis is of course beyond the realm of this evaluation.

9. Sustainability

82. Sustainability is a term that may take several meanings. In particular, it may refer to financial, substantive, operational and, in the case of EMPRETEC to networking sustainability. Financial sustainability is most commonly referred to, and lends itself to various definitions. According to UNCTAD EMPRETEC, it means the ability of programmes to generate enough income, and to be able to meet all their financial needs. Substantive sustainability implies the ability to conduct the functions a programme is intended to perform without external technical assistance. Operational sustainability refers to the ability to assume required administrative tasks effectively. Networking sustainability refers to the survival potential of networks between Empretecos and other targeted parties.

83. **Financial sustainability.** According to UNCTAD EMPRETEC, national programmes become sustainable rather quickly: "After a consolidation period of three to five years, ... the cost of running the programme can be covered by participants' fees and contracts with major clients".[12] Historical data show that the national programmes that were analysed did not

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[9] Op. cit. , pp. 9-10.
[10] "Business Development Services – How sustainable they can really be?" by Jim Tanburn, International Small Enterprise Programme, ILO, undated, circa 1999, p. 55.
[11] Op. cit. p. 55.
[12] EMPRETEC – The First Ten Years, op. cit. pp 34-5.

proceed according to this scenario. Even after receiving donor contributions largely in excess of the amounts quoted by UNCTAD EMPRETEC as being necessary for reaching financial sustainability - some $ 1.2 million over an eight-year period - some programmes were still unable to fend for themselves.

84. As of December 1999, only a few of the national programmes that were investigated were close to being financially sustainable. Four programmes did show a surplus in 1999. But in at least three cases it was the result of a temporary excess of revenues against activities that had not yet been completed. If these programmes have survived it is because local governments and private institutions have kept on supporting them as well as bilateral or multilateral donors.

85. The reasons for this low level of financial self-sustainability relate to various national conditions. One of the most common reasons advanced is that client SMEs have difficulty in paying market-rate fees for services requested and received. This is particularly true for the EDP seminar that is often offered at subsidised rates.

86. Another reason is that fixed expenditures are often quite high. The ratio of administrative to total full-time staff that was recorded by the evaluation team ranges from 50 per cent to 67 per cent in five cases. Only in one case did the ratio fall to a low 21 per cent. This ratio is usually higher in Africa than in Latin America.

87. The ratio of overhead expenditures to the total budget was also computed for five countries. This ratio gives an indication of the ability of a programme to cover its fixed expenses, and indirectly of its financial sustainability. Except for a low of 20 per cent, the ratio fluctuates between 48 per cent and 70 per cent. These figures are too high to support the view that programmes reached financial sustainability after a few years of operation.

88. **Substantive sustainability.** National programmes can fulfil their mission only if they manage to rejuvenate their programmes periodically, and adapt their offering to evolving demand conditions. To a large extent, this depends on the number of trained personnel and the periodic upgrading of such staff, most notably with regard to training. The data collected indicate that out of six countries surveyed three are dangerously vulnerable. Only a few full-time or part-time trainers have remained available after several years of services. Many trainers that up to 1993 were trained by MSI (Management Systems International) have since dropped out.

89. Training of trainers took place in all countries. In most cases, local trainers who had been previously trained by MIS, and who had received from MIS some sort of informal trainer's certification, provided such training. This process is likely to have resulted in some inbreeding. It should be noted, however, that EDP participants usually fail to distinguish between trainers that were trained by MSI, and those that were trained by local trainers.

90. Upgrading of training skills remains largely an individual concern. It is up to the trainers to see that they keep abreast of all the changes that take place, and affect the many diverse dimensions of entrepreneurship.

91. In most of the countries surveyed, trainers' needs are met locally except when specific training skills are requested. These needs are filled by inviting experienced trainers from abroad - quite often from other national EMPRETEC programmes.

92. **Operational sustainability.** This heading covers accounting, financial, general and information management capacity. The terms of reference do not include an investigation of these issues. However, fieldwork did provide an opportunity to appreciate the operational sustainability of national programmes in one particular respect, namely the ability to develop and manage appropriate information systems concerning in particular Empretecos, consultants and other suppliers of services and trainers.

93. As was mentioned earlier, few programmes keep up-to-date files on Empretecos and other stakeholders. Only in one case was it possible to obtain satisfactory information on Empretecos, consultants and trainers. National programmes have managed on their own as best as they could but in most cases their management information system is not even up to minimal standards.

94. **Networking sustainability**. The issue is whether national programmes have been able to develop networks that are likely to survive in the future. Networks to be considered are primarily those between Empretecos, between Empretecos and other non-Empretec firms (including TNCs and large local firms), between Empretecos and financial institutions and between Empretecos and government agencies.

95. The data gathered on this question either in the field or through surveys has been limited due to the fact that few programmes manage to collect adequate information from Empretecos. The evidence that has been obtained for only three countries over the 1997-1999 period is inconclusive. Networks do not seem, however, to have expanded very much, in particular with respect to networking with foreign firms.

96. On a more holistic and impressionistic note, it is the evaluators' assessment that at least four programmes have built rather significant networks since their inception. One appears to be declining, and another one has remained small in scale but stable.

IV - Recommendations

97. While the evaluation team came to the conclusion that the programme should be reinforced, it also identified a number of points that need to be addressed in order to improve its effectiveness, and to meet more effectively the expectations of Empretecos, of national programme managers and of other stakeholders.

98. The evaluation team has chosen to focus on two issues of overwhelming strategic importance:

- substantive and operational sustainability;
- international networking.

Enhancing the substantive and operational sustainability of national programmes

99. Owing to the lack of adequate guidance for many years from headquarters, the programme has suffered from a slow process of erosion that undermines the quality of the preparation of Empretecos. The motivational seminar (Entrepreneurial Development Programme, EDP) needs to be updated. Technical training must be improved. New trainers need to be trained and certified; while older trainers are in need of retraining.

100. **It is therefore recommended that:**[13]

A. UNCTAD EMPRETEC should undertake a systematic review of EDP

101. Even if trainers feel that the EDP seminar still responds adequately to attitudinal problems faced by entrepreneurs, and that these problems have not changed over the last forty years, people in the field also feel that it should be improved and "modernised". This review should involve trainers from national programmes with a view to collecting inputs for the revision of the seminar. The idea of producing a second shorter EDP seminar, to be offered to Empretecos several years after attending the first EDP, should also be investigated. It should be noted that a second EDP would also give an opportunity to increase programme revenue, and to boost networking and the sharing of experiences between Empretecos.

B. UNCTAD EMPRETEC should make sure that the experience gained in EDP in the public sector is transferred to all interested national programmes

102. Some very creative experiments have been undertaken in the area of entrepreneurship and the public sector. They have proved to be very useful for public administrations and enterprises both to motivate public servants, and to prepare them to enter the private sector. The team has observed a convergence of national programme needs in this area. Knowledge gained in a country should be made available elsewhere.

C. With the assistance of national programmers, UNCTAD EMPRETEC should produce an inventory of all existing technical seminars

103. The objective here is to promote the transfer of specialised seminars that have been developed in some national programmes to other programmes facing similar demands. There is a need to create a roster of all technical seminars conducted in national programmes. This would allow countries wishing to introduce new technical seminars to take advantage of the expertise and programmes already available in other countries.

D. UNCTAD EMPRETEC should develop a standard Business Planning training package

104. Training in this area is generally lacking. Inadequate training in business planning leads to SME vulnerability, and contributes to a credibility gap with lending institutions and with some BDS experts. Business planning is such a fundamental component of the training of entrepreneurs that EMPRETEC should consider the development of a business planning package as one of the highest priority. There are plenty of packages available on the market (even accessible on the Net) or produced by other United Nations agencies. UNCTAD EMPRETEC should tap qualified external resources as well as any expertise readily available in national programmes.

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[13] The recommendations follow in a logical order that is not intended to imply any degree of relative importance.

E. UNCTAD EMPRETEC should urgently address the need to train new trainers and retrain older ones

105. It has been found in the course of the field mission that some national programmes are already short of competent trainers. Most trainers were trained many years ago, and many admit that their competencies have aged, and that they need to be retrained. EMPRETEC should set up a training/retraining programme relying on specialized expertise.

F. UNCTAD EMPRETEC should devise a compulsory system of certification for all trainers

106. There is no formal and official training procedure at present. Under these circumstances, there are limited opportunities for guaranteeing the quality of the trainers or for promoting their credibility with trainees and in comparison with other entrepreneurship programmes.

107. There is therefore a need to establish a formal and official training procedure capitalizing on the considerable value of a certification delivered by UNCTAD.

G. UNCTAD EMPRETEC should introduce a certification process for Empretecos

108. Certification would be granted only to candidates that have fulfilled admission and training requisites established by UNCTAD EMPRETEC. Certification bearing the UNCTAD logo would insure the quality of EMPRETEC training, and provide the basis for efficient networking between Empretecos.

H. UNCTAD EMPRETEC should make available to national programmes a unified software solution to Management Information System (MIS) needs that are not yet met

109. The evaluation team has had considerable difficulty in gathering even basic data from national programmes. Most country programmes do not keep systematic files on Empretecos and other clients, trainers, consultants or advisors. They have a hard time tracing individuals and producing up-to-date listings and basic statistics. A single solution should be proposed for national programmes. This should be user-friendly and acceptable to all such programmes. Attention should be paid to maintaining low set-up, operational and recurrent costs. The monitoring of the national information systems by UNCTAD EMPRETEC would also give headquarters an opportunity to reconstruct its own information system, which is now displaying major weaknesses.

Promoting international networking

110. All national programme members that were interviewed consider international networking the very area where UNCTAD EMPRETEC can best help them to fulfil their mission. The evaluation team agrees that it is indeed an area where UNCTAD EMPRETEC can make a major contribution, although the issue of substantive sustainability addressed above is more fundamental. The promotion of increased international networking should take place at three levels: that of Empretecos; that of trainers; and that of national programme managers.

111. **It is recommended that:**

I. UNCTAD EMPRETEC should set up and manage a web site open to all the international EMPRETEC community

112. Many Empretecos feel that they all share the same entrepreneurial values, terminology and training regardless of their nationality, and as a result that they are well prepared to do business together. They also share similar information needs on entrepreneurship, SME management and world trade developments. Such needs may be met more and more through electronic communication.

113. Such a web site should include:

(1) a business opportunity section listing business offers, and allowing Empretecos to enter into direct negotiations among themselves;

(2) an information section with references to publications of interest to Empretecos;

(3) a general news section informing Empretecos of activities undertaken by UNCTAD EMPRETEC and by national programmes.

J. Organization by UNCTAD EMPRETEC of yearly meeting of trainers

114. The fundamental objective of this meeting would be to provide individual trainers with an opportunity to benefit from the experiences of fellow trainers. Issues addressed at this meeting would be the identification of ways and means of meeting the evolving needs of trainers; the organization of training events open to all trainers; and the identification of trainers who could be used in other programmes as need arises. Each national programme should be represented by at least one trainer.

K. Organization by UNCTAD EMPRETEC of a yearly meeting of EMPRETEC national directors

115. The purpose of this meeting would be to contribute to the development of closer relations between national programme directors and the UNCTAD EMPRETEC team, and to the formulation of harmonised national and international expansion strategies. Other issues like the adoption of common services such as information and performance monitoring systems would be discussed at this meeting, as well as the promotion of common policies regarding issues such as admission and certification criteria. Such meetings have already taken place occasionally in the past. This practice should be institutionalized.

V – Concluding comments

116. The overall conclusion reached by the evaluation team is that the EMPRETEC concept remains valid, has demonstrated adaptability to diverse environments, and is in high demand in many parts of the world. It is served by a team at headquarters that is considered in the field to be competent and committed to the task. It is the view of the evaluation team that the programme should be maintained and more firmly supported institutionally in the future.

117. The evaluation team is well aware that the above recommendations involve a shift in focus for UNCTAD EMPRETEC from a primarily advisory to a much greater supervisory and leadership role. The evaluation team believes such a shift is needed in order to strengthen the programme, and that it will give UNCTAD EMPRETEC firmer control over programme delivery through a closer monitoring of training standards and greater international networking. All these activities require time and resources, and should be given priority in order to consolidate the programme as an essential step towards a more efficient delivery of its activities.

Appendix I- Terms of reference

In-depth evaluation of the EMPRETEC Programme

I. Background

1. EMPRETEC was established in 1988 to promote entrepreneurship, SME development and their linkages with foreign companies through a business support network. The network is a self-sustaining coalition of public officials, entrepreneurs, corporate managers, bankers and executives of transnational corporations. The goal is to offer SMEs the skills, technology, opportunities, training and information necessary to enable them to realize their objectives, expand their activities and establish productive and stable linkages with foreign companies. By strengthening national institutional capacities, EMPRETEC aims at developing a local entrepreneurial culture, the creation of new business ventures, and the growth and expansion of existing SMEs, which in turn would lead to the diversification of the national economy and the creation of employment opportunities.

2. The basic features of the Programme are: a procedure for identifying and selecting promising entrepreneurs; entrepreneurship training workshops; follow-up support to entrepreneurs to assist them in making their business plans operational; the setting up or mechanisms to assist entrepreneurs to define their needs, expand and internationalize their activities; establishment of an EMPRETEC information network which would provide entrepreneurs with access to international business databases; development of associations of EMPRETEC entrepreneurs to help in exchanging information on trade and business opportunities and promoting cross-border and regional joint ventures; self-sustainability of the national programme at the end of UNCTAD's four-year involvement.

3. The EMPRETEC Programme is implemented through: a) a professionally staffed Empretec National Centre (ENC) providing a range of demand-driven training and consulting services to a selected target group of entrepreneurs on a "fee for services" basis; b) an Advisory Board, composed of local public and private sector representatives, banks, and international partners establishing policy and overseeing the implementation of the project; and c) an Entrepreneur Association of participants in the programme to exchange experiences and actively pursue networking activities.

4. The Programme is now operational in Argentina, Brazil, Chile, Colombia, Ghana, Uruguay, Venezuela and Zimbabwe. The Programme is at different levels of implementation in a further 25 countries from Africa, Central America and Eastern Europe.

II. Programme support

5. EMPRETEC's activities are coordinated at the international level by a small UNCTAD team that initiates and implements new country projects, monitors progress, and assists in ensuring high standards of project delivery. In particular, the coordinating team facilitates the exchange of *'best practices'* between the country projects, and identifies and

develops new modules to strengthen the services provided by the local Empretec National Centres. For the implementation of new projects UNCTAD draws upon the experience of highly qualified staff from more mature national projects to transfer methodologies and best practices to new countries.

III. Purpose and scope of the evaluation

6. The study will be a thematic one, focusing on the examination of the Programme in terms of its relevance, effectiveness, performance and impact in the context of its major objectives. The evaluation will be made available, as appropriate, to relevant UNCTAD intergovernmental bodies, in particular the Working Party on the Medium-term Plan and the Programme Budget. The evaluation should take account of the various independent, outside and in-house assessments undertaken by the Programme and/or its components over the past ten years and draw on their content and conclusions as appropriate.

IV. Issues to be covered

7. The in-depth evaluation, which will place particular emphasis on performance and impact, should:

(i) Consider whether the Programme concept and design were appropriate in the institutional and commercial environment existing at the time it was launched as well as in achieving its objectives; consider whether the overall programme concept has retained its validity in a rapidly changing economic, technological and socio-political context; consider the degree of the Programme's adaptation to the changing needs of the beneficiaries – with particular attention paid to the flexibility, adaptability and replicability of the concept and methodology -; identify factors which may have facilitated or impeded the achievements of these objectives;

(ii) Assess the Programme implementation; review the quantity and quality of the services provided and of the material produced; assess the Programme's place and relevance within the host country policy on SMEs; identify major shortcomings in the past and prospects for the future; record any significant lessons that can be drawn from the experience of various projects undertaken under the Programme;

(iii) Assess the Programme's comparative advantages; review Empretec's approach as well as its capacity to deliver, and compare to other national and international donor-supported SME programmes, particularly in the light of the findings of various international expert bodies (donor committee, expert group meetings, universities) as regards "best practice" standards for SME support (e.g. selectivity, fee for services, sustainability, private sector based, market oriented);

(iv) Examine the relationship between this Programme and other programmes within and outside the United Nations system; assess the collaboration between Empretec and the regional programmes (Enterprise Africa (20 countries in Sub-Saharan Africa), Mediterranean 2000 (10 countries in the Mediterranean and Horn of Africa), and Central American (six countries)) in the implementation of national projects; make recommendations for closer cooperation as appropriate;

(v) Study the results and impact of the Programme, taking into consideration the views of beneficiary entrepreneurs, business associations, banks, and government officials, as well as those of the donor community; record any significant lessons that can be drawn from the experience of the Programme and its results;

(vi) Be forward looking, and, on the basis of the lessons learned in particular on the issues identified above, make recommendations on the strategy and priorities of the Programme, so as to maximize the benefits for the end-users, the interface with other related programmes within and outside the United Nations system and the relationship with other activities within UNCTAD;

(vii) Assess the adequacy of utilization of the funds provided for the Programme; evaluate the capacity of the EMPRETEC team in delivering the programme (design, market, fund-raise, install and back-stop national and regional country programmes); make recommendations, as appropriate, with regard to future implementation of the Programme, including estimates of resource requirements.

The gender dimension will be taken into account whenever appropriate and possible.

8. The evaluation process will commence with the design of appropriate assessment tools for each activity that will benchmark actual performance against expected results. The evaluation will cover the activities of the programme from its inception.

IV. Evaluation team and reporting

9. The in-depth study will be conducted by an independent, outside evaluation team. The team will include a professional evaluator with extensive experience in this area. The team will be complemented by two additional members who will deal with specific tasks. The latter will be knowledgeable about the EMPRETEC programme, familiar with UNCTAD programmes and UNCTAD's programme, planning and assessment procedures, and be constantly involved in the work of UNCTAD intergovernmental bodies. At least one member should have working knowledge of Spanish. The study will draw on findings from evaluations/assessments conducted so far. The team will work under the methodological guidance of the Programme, Planning and Assessment Unit (PPAU). Field missions will be organised as appropriate.

10. The evaluation should be completed by 31 May 2000, including the submission of the final evaluation report. The report should be within the space limit of a normal UNCTAD document (not more than 16 single-spaced pages), together with an annexe providing supplementary information.

11. The report of the team will be presented by the evaluation team to UNCTAD intergovernmental bodies, in particular the Working Party, as appropriate. PPAU will coordinate and present any comments the UNCTAD secretariat may wish to make on the report to the relevant UNCTAD intergovernmental bodies.

Appendix II - Methodology

1. Starting with the terms of reference, two priority tasks were undertaken:

- the selection of countries to be visited;
- the definition of the approach to be adopted in order to obtain the data required for each of the terms of reference in an efficient manner.

2. Countries to be visited were selected on the basis of the following criteria. They had to have been in operation for a sufficient period of time, that is at least five years. Both Africa and Latin America had to be equally represented in the sample. Programmes presumed to be more successful had to be included as well as those presumed to be less successful.

3. The number of countries visited was to be constrained by the fact that the evaluation took place during the UNCTAD X Conference in Bangkok, and also by the fact that a number of Latin American countries could not be visited at the end of February/beginning of March during their holiday season when the mission had to take place.

4. In the final analysis, five countries were visited: Zimbabwe and Ghana in Africa; Argentina, Chile and Uruguay in Latin America. These national programmes have been in operation since 1988 (Argentina), 1989 (Uruguay), 1990 (Chile, Ghana) and 1992 (Zimbabwe). All country programmes have therefore been in operation between seven and eleven years.

5. The approach adopted in order to obtain the information required by the terms of reference was the following. An ex-post Logical Framework Analysis (LAF) was produced under the guidance of the Programme, Planning and Assessment Unit (PPAU). The terms of reference were translated into specific performance criteria fitting into the LAF. In this manner, it was made sure that none of the terms of reference would be omitted, and that research questions could be translated unambiguously into information needs.

6. The next step involved the production of a questionnaire to be sent to all country programmes, including those to be visited. An interview guide was found to be used in the field, taking into account the various stakeholders that were to be met (programme directors, trainers, advisors, Empretecos, board members, and local donor representatives).

7. The response rate was 62 per cent. All country programmes that were to be visited answered the questionnaire. All non-responding country programmes except one were either new programmes (less than five years old) or programmes that had been phased out. As a result, detailed data was gathered either through visits and/or through questionnaires for seven countries. The non-responding country that belonged to the population frame could not be visited, and did not respond to the questionnaire in spite of repeated invitations to do so.

8. Overall sample coverage estimates are 84 per cent on the basis of funding received and 76 per cent on the basis of number of Empretecos trained.

9. The evaluation team would like to thank all the national programme directors who answered the questionnaire, were willing to meet us, arranged for meetings with other

national EMPRETEC stakeholders, and made our mission an effective, convivial and most rewarding experience.

10. Other data collection activities included the review of available materials (project documents, training materials, evaluation reports, BDS-related studies), as well as meetings with UNCTAD EMPRETEC team members and with its director. Meetings and phone interviews took place with representatives of donor and recipient countries, and with other agencies or programmes providing BDS.

11. In many instances, the evaluation team addressed specific queries to UNCTAD EMPRETEC and to the Programme, Planning and Assessment Unit (PPAU) team members. They were always dealt with in the most efficient manner. The evaluation team wishes to express its gratitude to all of them, and in particular to the support staffs who helped considerably in the gathering of documents, the production of the questionnaire, the follow-up with country programmes and the intricate logistics of the evaluation.

UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/WP/130
3 August 2000

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-Term Plan
and the Programme Budget
Thirty-sixth session
Geneva, 11-15 September 2000
Item 6 (d (i)) of the provisional agenda

PROGRESS REPORT ON THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE IN-DEPTH EVALUATION OF THE TECHNICAL COOPERATION ACTIVITIES ON COMPETITION LAW AND POLICY

Report by the UNCTAD secretariat

SUMMARY

In order to implement the recommendations made in the evaluation report, the secretariat has developed a strategy which essentially focused on: (a) activities which are sustainable and can make an impact; (b) alternative sources and ways of mobilizing human and financial resources; and (c) the development of networking among high-level institutions in each country, thus creating synergies among their competencies and capacities for implementation and follow-up. This progress report contains a presentation of the measures taken by the secretariat over the last 10 months.

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Introduction

1. At its thirty-fourth session in September-October 1999, the Working Party on the Medium-term Plan and the Programme Budget welcomed the evaluation of the programme of technical cooperation activities on competition law and policy (TD/B/WP/119), agreed with the recommendations contained therein, and requested "the secretariat to implement them, taking into consideration the comments made by the members of the Working Party, in particular regarding paragraph 89 of the evaluation";[1] and invited "the Secretary-General of UNCTAD to report at the autumn session of the Working Party in the year 2000 on the implementation of the recommendations arising from the evaluation report".

2. The present report was prepared in response to those requests. It describes the strategy adopted by the secretariat since October 1999 for the implementation of the recommendations contained in the evaluation report, gives an account of the specific actions and activities undertaken with reference to the setting of priorities, resource mobilization, and relationships with other programmes; and reviews the various activities implemented in response to requests from member countries.

IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE IN-DEPTH EVALUATION REPORT

3. In order to implement the recommendations made in the evaluation report, the secretariat has developed a strategy which essentially focuses on: (a) activities that are sustainable and can make an impact; (b) alternative sources and ways of mobilizing human and financial resources; and (c) the development of networking among high-level institutions in each country, thus creating synergies among their competencies and capacities for implementation and follow-up.

4. The implementation of the recommendations adopted by the Working Party as well as its future orientations were influenced by a number of factors and developments that have intervened since then: the Plan of Action of UNCTAD X, which reinforced and expanded the secretariat work on competition policy, particularly in the area of capacity- and institution-building; the preparatory process for the WTO Ministerial Conference in Seattle and the follow-up to future negotiations, which focused the attention of developing member States on the need to clarify and elucidate principles, concepts and policy issues relating to the interface between competition policy and development and their ability to participate effectively in the international negotiations; the request addressed by the IGE on Competition Law and Policy to the Secretary-General of UNCTAD to prepare for the Fourth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, which is scheduled to take place from 25 to 29 September 2000; the increase in the number of requests from developing and least developed countries for assistance in the preparation of national competition legislation, and an increase in the commitment of additional funds from bilateral donors for technical cooperation activities relating to competition policy.

A. Priority areas for technical assistance[2]

5. One core recommendation of the evaluation report called for UNCTAD to place due emphasis on how best to establish independent competition authorities, assist with the training of staff and provide training in the implementation of the law. In this connection, UNCTAD has focused its activities on:

(a) Requests from countries that have adopted competition legislation and seek advice on setting up a competition authority; this includes training of officials responsible for the control of anti-competitive practices, as well as involving the establishment of training workshops and/or on-the-job training with competition authorities in countries that have experience in the field of competition;

(b) Requests from countries that have already adopted competition legislation, have built up experience in the control of anti-competitive practices and wish to discuss their experiences in specific cases as well as to exchange information. Seminars would need to be organized for such exchanges between competition authorities (see below);

(c) Requests from countries that wish to revise their competition legislation, and therefore seek expert advice from competition authorities in other States so as to amend their laws in the most effective manner possible.

6. Thus, UNCTAD assisted Thailand, Mauritania, Madagascar, Vietnam and Ecuador in preparing, elaborating or reviewing national competition and/or consumer protection legislation. In particular, in the case of Madagascar, UNCTAD prepared a report proposing amendments to the draft competition law of this country. UNCTAD has also provided advisory services to Thailand in drafting guidelines for the operational procedures of its competition authority. In addition, UNCTAD has prepared a report assessing the CIS countries' experience in implementing competition policy. The report was presented at a regional meeting in Kiev, Ukraine, in July 2000. UNCTAD also advised the Task Force of the CARICOM countries which were preparing the revision of Protocol IX on competition policy and consumer protection issues. A final report on a possible common competition policy for the region is being considered by the CARICOM secretariat. Furthermore, the work on the elaboration of a common approach to competition policy for the member States of the Common Market for Eastern and Southern Africa (COMESA) is being pursued with the assistance of UNCTAD and the EU.

7. A national workshop on the implementation of the Zambia Competition Act was held in July 2000. The workshop's objectives were to enhance the capacity- and institution-building of the Zambia Competition Commission (ZCC) as well as to contribute towards the educational process which the ZCC had launched with a view to creating a competition culture in Zambia.

8. A national seminar on competition law and policy was organized in December 1999 in Madagascar with a view to enabling government officials and representatives of private business to understand the implications of the draft competition law once adopted and how it should be applied. Following the seminar, consultations were held between UNCTAD and personnel designated by the Government on the finalization of the draft law.

9. The other area of priority, which was emphasized in the evaluation, was the need for UNCTAD to continue to organize national seminars for countries that have not yet passed competition or consumer protection laws. In these cases, progress has been made by the secretariat in responding to requests from member countries. In particular, UNCTAD has continued to extend assistance to:

(a) Countries without any competition legislation, which request information about anti-competitive practices, their existence and possible adverse effects on their respective economies. This has involved studies of market structure, and of the coherence of company and trade laws;

(b) Countries without competition legislation, which request introductory seminars for an audience including government officials and academics, as well as business and consumer associations;

(c) Countries in the process of drafting competition legislation, which seek advice in doing so, and also request information on such legislation in other countries.

10. In the light of the increasing number of requests for assistance, in particular in the context of the proximity of the Fourth Review Conference, most of these activities were implemented in a cost-effective manner through regional seminars and workshops. In Africa, a Regional Seminar on Competition Policy, Trade and Development was jointly organized by UNCTAD, COMESA (Common Market for Eastern and Southern Africa) and the Zambia Competition Commission, in Lusaka, Zambia. The purpose of the seminar was to discuss the issues of importance in competition policy with regard to regional development and integration among the COMESA member countries; the interrelationship between the objectives and instruments of trade investment and competition policies; the relevance to COMESA of other integration groupings' experiences with a common competition policy; and the role of cooperation and communication in competition law and policy.

11. In cooperation with the Governments of Morocco and Zambia, UNCTAD is organizing Regional Seminars on Competition Law and Policy for African countries to be held in Casablanca on 18-19 July and in Livingstone on 26-27 July 2000 respectively. These regional meetings are part of the preparatory process for the Fourth United Nations Review Conference of the Set of Principles.

12. In Asia, in cooperation with the Monopolies and Restrictive Trade Practices (MRTP) Commission of India and Consumer Unity and Trust Society (CUTS) also of India, UNCTAD held a Regional Seminar on Competition Policy for the Asia-Pacific Region (Jaipur, India, 13-15 April 2000). The Seminar was attended by participants from competition authorities, ministries, business associations and consumer groups from Pakistan, Nepal, Hong Kong (China), Australia, Japan and the host country. The Seminar discussed specific issues related to participating countries' experiences, instruments of cooperation in the competition area, problems of competition and international trade as well as competition and multilateral action for development. It also had an opportunity of discussing the results of UNCTAD X, and adopted a Declaration containing specific recommendations for action by the Fourth United Nations Review Conference on the Set of Principles.

13. In Latin America, a subregional workshop for CARICOM and its member States on competition law and policy was held on 12-13 October 1999 in Port-of-Spain, Trinidad and Tobago. It was organized by UNCTAD jointly with the CARICOM secretariat, the EU, the University of the West Indies and the Institute of Social and Economic Research. The objective of the workshop was to strengthen Caribbean countries' knowledge of the main principles and applications of competition law and policy. The workshop also considered the scope and rules of competition applicable in regional integration agreements, and focused on the issues of global and hemispheric trade, liberalization and competition.

14. In cooperation with the Costa Rican Commission for the Promotion of Competition, and with the Economic Commission for Latin America and the Caribbean (ECLAC), a Regional Seminar on Competition Law and Policy is in course of preparation by UNCTAD, to be held in San José from 30 August to 1 September 2000.

15. In cooperation with the Antimonopoly Committee of Ukraine and the European Commission, UNCTAD is involved in the preparation of the Regional Conference on Competition Policy for CIS countries and countries of Central and Eastern Europe in Kiev, scheduled for 13-14 July 2000. A regional meeting for the Commonwealth of Independent States (CIS) Antimonopoly Bodies' Leadership was held in Moscow in October 1999.

B. Resources and funding

16. In view of the increase in the number of requests from beneficiary countries for national and regional seminars and advisory missions, UNCTAD has been able to mobilize additional financial and human resources for planned activities over the next 18 months. While the increase in financial commitments from some bilateral donors, the use of international experts, and cooperation with other organizations, including competition agencies of developed countries, will greatly assist in the attainment of the objectives of the Set, it is apparent that many requests for assistance cannot be met, given the human and financial resources currently available in this aspect of UNCTAD's work.

17. The start-up phase of technical cooperation programmes depends largely on financial contributions from donors. Beneficiary countries are also contributing to the implementation of such activities.

18. As far as financial resources are concerned, the total expenditure on technical assistance in the area of competition policy has averaged US$ 400,000 a year. The major donors are the Netherlands, Norway, Germany, Italy, France and the United Nations Development Programme (UNDP). The increased commitment in funding for the years 2000 and 2001 should enable greater use to be made of consultants and experts to meet some of the requests received from beneficiary countries.

C. Networking of competition institutions

19. Sustainability of technical cooperation activities calls for developing the networking of competition institutions, which rely on the competencies of high-level agencies in each country, thus creating synergies among their competencies and capacity for implementation and follow-up. The networking entails the following concrete measures:

- developing a network of institutions that provide training programmes in the field of competition policy in developing countries;

- increasing partnerships through enhanced cooperation with other international organizations and institutions working in the field of competition policy; and the expansion of relations with national higher education institutions in developed and developing countries;

- reinforcing the institutions that have adopted competition law;

- developing a regular exchange of information, courses and experiences among training institutions;

- updating and producing training packages that meet the needs of persons involved in the implementation and enforcement of competition law and policy; this also involves closer cooperation between the various divisions of UNCTAD in order to provide a rigorous follow-up of projects and optimal teaching materials;

- organizing national and regional seminars, workshops and training courses in the institutions that are members of the network.

D. Training and relationships with other related programmes

20. Another core recommendation relates to the design and production of new training manuals on the formulation and implementation of competition law and policy. Comprehensive and detailed training material has been prepared, and is being tested and validated in selected countries before publication. The material includes detailed modules on the various aspects of the formulation and implementation of competition law and policy, including case studies as well as a User's Manual for the training of trainers. This material will also be used for distance learning and be made available through the Internet. A description of the training modules is provided in Annex I to this report.

21. Progress has also been made in organizing joint training seminars and conferences with specialized institutions. This summer, a second one-week course (19-23 June 2000), on international trade dispute settlements and competition policy, was organized in cooperation with the University of Geneva Faculty of Law and the International Academy of Public Law. The summer course was held in various Geneva-based international organizations (UNCTAD, WTO, WIPO, ILO, etc. and the University of Geneva), and was attended by over 150 participants from the capitals and missions to the United Nations and WTO. It is intended to hold a similar course next year focused on Competition Policy and Intellectual Property Rights.

22. The search for synergies has led the secretariat to seek cooperation arrangements with regional institutions that have the capacity for training and follow-up. UNCTAD has joined a steering committee, composed of the Australian Competition and Consumer Protection Commission, the APEC secretariat, and the Korean and Japanese Fair Trading Commissions, which aims at establishing a resource centre for the ASEAN countries that would use the existing capacities in the region and in other parts of the world.

D. Other recommendations of the evaluation exercise

23. A list of focal points in the capitals has been drawn up with a view to ensuring that the relevant authorities in the capital receive invitations to participate in national and regional meetings in good time. It is intended to send such communications directly to the relevant authorities, with a copy to the country's representative in Geneva.

24. Progress has also been made in the publication of reports of national and regional seminars, with the aim of providing the most recent information and thinking on competition law and policy in developing countries. These reports have been published in a new series on technical issues.

25. The UNCTAD Web site on competition has been redesigned and updated with the inclusion of new material and links to competition-related sites.[3]

Notes

[1] Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-fourth session, paragraphs 1 and 2 (TD/B/46/9, TD/B/WP/23), 13 March 2000.

[2] Paragraph 85 of the evaluation report.

[3] http://www.unctad.org/en/subsites/cpolicy/cpindex.htm.

ANNEX I

Course on "The Formulation of a Competition Law and Policy"

OBJECTIVES:

- Increase the awareness of the participants regarding the necessity of developing or adapting existing competition law and policy. Fundamental data underlying competition law and policy will be explained in relation to other branches of political economy, in the context of a state of law. Moreover, means and methods for controlling various aspects of competition legislation will be described;

- Enable participants who are knowledgeable about the state of evolution of their institutional and juridical structures to compare existing legislation with legislation that will be necessary in order to propose the implementation of necessary reforms in the field of competition law and policy.

TARGET POPULATION:

- Political decision-makers: Ministers and Secretaries of State and their Cabinet Directors in charge of economy, trade, finance, justice and consumer protection;

- People in charge of political decisions related to the economy: executive officers of economic and trade administrations and their direct deputies;

- Judges in charge of ensuring conformity between new legislation to be developed and the existing legislation: they may be from supreme courts, parliamentarians, high-level jurisconsults (university deans, barristers), as well as magistrates/judges of jurisdictions possibly subject to litigation/disputes;

- Managers and officers from the private sector in those countries where they are powerful and representative (employers' associations and trade unions, chambers of commerce);

- Officers in charge of the application of rules regarding competition policy from various administrations related to the economy, commerce, finance, justice/law and consumer protection.

DURATION:

- Two days

MODULES:

- Module 1: Introduction
- Module 2: The objectives and economic foundations of competition law and policy
- Module 3: Juridical instruments
- Module 4: Institutions in charge of the policy and application of competition law
- Module 5: Conclusions and plan of action

ACTIVITIES FOLLOWING THE SEMINAR:

- Brainstorming of current practices that need to be reformed or modified. The instruments and means required (budget, personnel) and listing of people and bodies to consult
- Development or adaptation of national competition law and complementary texts
- Creation or transformation of useful institutions and bodies (in charge of relaying governmental instructions in the field of competition law, empowered to monitor and control the market; competition authority)
- Implementation of training and information structures and broadcasting of information
- Promotion of international exchanges with international organizations and local authorities in charge of competition law and policy in other countries

MATERIAL:

- Participant's manual for each participant with all the course details, presentations, case studies, and reference material that will be useful after the seminar
- Instructor's guide

ANNEX I (continued)

Course on "The Implementation of a Competition Law and Policy"

OBJECTIVES:	–	Based on the competition law and policy adopted, the seminar will give participants the opportunity to implement, apply and control reforms in the field of competition
TARGET POPULATION:	–	People in charge of political decisions related to the economy: executive officers of economic and trade administrations and their direct deputies
	–	Judges of jurisdictions possibly subject to litigation/disputes
	–	Managers and officers from the private sector
	–	Officers in charge of the application of rules regarding competition policy from various administrations related to the economy, commerce, finance, justice and consumer protection
DURATION:	–	Five days
MODULES:	–	Module 1: Introduction
	–	Module 2: The objectives and economic foundations of competition law and policy
	–	Module 3: Juridical instruments and control tools
	–	Module 4: Institutions in charge of the policy and application of competition law
	–	Module 5: Implementation procedures
MATERIAL:	–	Participant's manual for each participant with all the course details, presentations, case studies, and reference material that will be useful after the seminar
	–	Instructor's guide

UNITED
NATIONS

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United Nations
Conference
on Trade and
Development

Distr.
GENERAL

TD/B/WP/131
17August 2000

Original : ENGLISH

TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Thirty-sixth session
Geneva, 11-15 September 2000
Agenda Item 7

FINANCING OF EXPERTS FROM DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION WHEN PARTICIPATING IN UNCTAD MEETINGS

Note by the UNCTAD secretariat

1. The General Assembly, in resolution 53/3 of 12 October 1998, agreed to the use of the amount of US$ 1,088,000 for the expenses of experts, *inter alia*, attending, in their personal capacity, expert meetings convened by the Trade and Development Board. Not all the funds were utilized during the biennium 1998-1999. Accordingly, the Assembly, in section XIV of resolution 54/251 of 23 December 1999, agreed that, "on an exceptional basis..., the unspent balance [be] retained until all the activities and programmes outlined in the report of the Secretary-General of 13 May 1998 and approved by the General Assembly in its resolution 53/3 of 12 October 1998 are completed".

2. A report on the financing and participation of developing country experts in the seven expert meetings held in 1999 was provided to the twenty-second executive session of the Board (TD/B/EX(22)/2). A report was submitted to the fifty-fourth session of the General Assembly on the implementation by UNCTAD of all activities financed from the unspent balance (A/54/501), on which ACABQ reported in document A/54/7/Add.3.

3. At the time of reporting, two expert meetings have so far been held in 2000, as follows:

- Expert Meeting on Mergers and Acquisitions: Policies aimed at maximizing the positive and minimizing the possible negative impact of international investment, 19-21 June 2000;

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- Expert Meeting on Impact of the Reform Process in Agriculture on LDCs and Net Food Importing Developing Countries and Ways to Address their Concerns in Multilateral Trade Negotiations, 24-26 July 2000.

4. A total of 29 experts from developing countries were able to participate in the two meetings, 13 in the first and 16 in the second. Of this number, 10 were from least developed countries. Eleven experts came from Africa, eight from Asia and the Pacific, and 10 from Latin America. Twenty-two experts were men and seven were women.

5. In the report to the twenty-second session of the Trade and Development Board (see para. 2 above), the secretariat expressed the view that the quality and relevance of both the discussions at, and the outcome of, expert meetings convened in 1999 had been enhanced as a result of the presence of the additional experts from developing countries financed through the afore-mentioned arrangements. Members of the Board, in their discussion on the issue, shared that assessment. The experience of the secretariat on the two meetings held so far in the year 2000 confirms the continuing validity of this conclusion.

6. The unspent balance carried over in to 2000 for the financing of participation of experts amounted to US$ 587,712. The total cost of the participation of the experts in the two meetings held in 2000 is estimated at US$ 102,421.

7. Assuming that, on average, 16 experts attend each of the seven expert meetings remaining in 2000, the secretariat estimates that there would remain a balance at end-2000 of about US$ 93,000 against the original provision established by the General Assembly in its resolution 53/3.